

# Germany

institutions, procedures  
and measures

1987

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The system operates with a network of correspondents from the departments responsible for employment policy in the Member States and a centralised secretariat under the overall responsibility of the Commission.

It was set up by the Commission in response to the desire expressed by the Member States' delegations in the Council to be mutually informed on developments in national employment policy measures and structures. The objective of the system is defined as "to gather, synthesise, translate and disseminate relevant information in the Member States, serving each of the responsible national ministries and agencies in their daily decision-making", and aiding the Commission in its co-ordinating role at Community level.

The "Basic Information Reports", as they are called by the correspondents, describe the structure and content of employment policy in each Member State. All reports follow the same structure and contain the same basic information which is essential to an understanding of the way employment policy is conceived and operated.

The material in the Basic Information Reports has been provided by the national correspondents and is correct as at 1 January 1988. It is intended as a guide and an explanation of national policy measures in force at that date and is not a substitute for the corresponding legal texts. It is designed to describe the policies and practices in Member States without value judgements either on the part of the Commission or the national correspondents.

While these reports will be updated periodically, further information and regular updating of measures are published in "inforMISEP", and reproduced in "Social Europe".

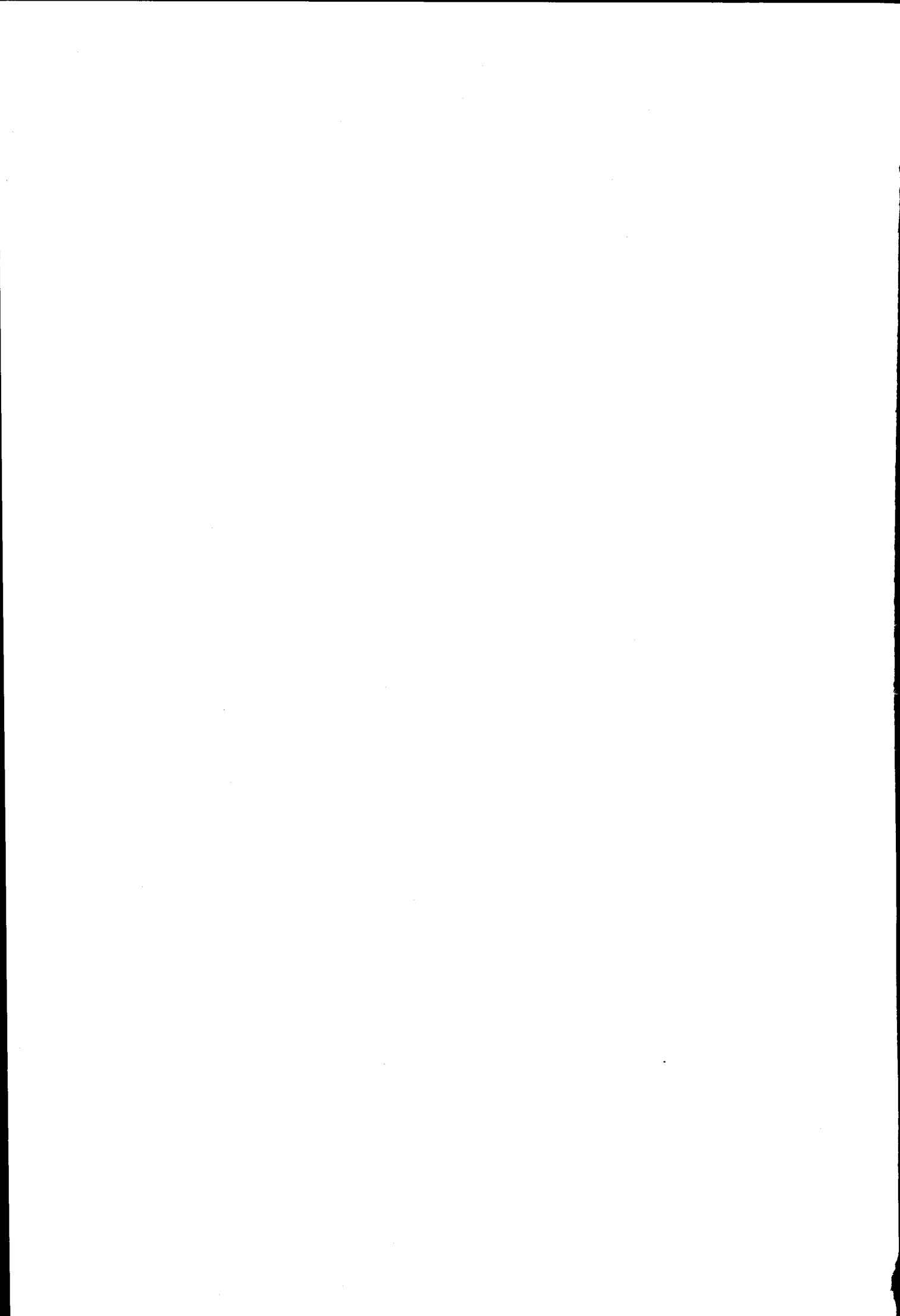
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European Centre for Work and Society, Postbus 3073, NL-6202 NB Maastricht.  
Tel. 043-216 724. Telex 56164. Telefax 216724 (indirect).



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## Chapter I: INSTITUTIONS

### General

Labour market policy in the Federal Republic of Germany is particularly closely linked with social and economic policy. For this reason, the Labour Promotion Act (AFG) of 1 July 1969 in its capacity as the authoritative legal basis for labour market policy lays down that labour market policy measures are to be carried out within the framework of social and economic policy (§ 1 AFG).

The major objectives of **employment policy** are to achieve again a higher level of employment, reduce unemployment and integrate the baby boom age groups into the labour force. The Federal Minister of Economics is responsible for the growth and investment policy needed to achieve these goals. The law on the promotion of economic stability and growth constitutes an important statutory basis.

Apart from promoting economic growth, the policies on working time and on vocational training make major contributions to coping with employment problems. Together with the actual labour market policy instruments they make up labour market policy in the broader sense.

**Labour market policy**, broadly interpreted, is an area spanning the whole federal structure of the Federal Republic of Germany. Thus, for instance, a major part of the **regional structural policy** which is important for the labour market, belongs to the area of responsibility of the *Länder* (Federal States). Competences of the *Bund* (Federation) and the *Land* (Federal State) also play an important role in the transition from the educational system to working life, the more so since this transition typically takes place through qualified vocational training. According to the Basic Law, important parts of the educational system are the sole responsibility of the *Länder*. Their competence covers mainly **schools** providing general education and vocational training as well as major parts of the university system.

On the other hand, the *Bund* has, as regards training, parallel legislative powers with regard to **in-plant vocational training** (the training most young people go in for), and to laying down the rules for the promotion of training (the regulations on financial assistance for students and pupils). The minister responsible in this area on the national level is the **Federal Minister of Education and Science**. For fulfilling his task he can turn to the work of the **Federal Institute for Vocational Training** (*Bundesinstitut für Berufsbildung*) in Berlin. Its major bodies are the "main committee" (*Hauptausschuß*) and the secretary general. The main committee decides on the Institute's affairs and gives the federal government advice on fundamental questions of vocational training. It is a tri-partite body with representatives of the employers, the employees and public authorities.

The labour market, and hence indirectly labour market policy, is influenced not only by the Federal government, the *Länder* and other public law institutions, in particular the employment services (cfr page 5), but also to a large extent by collective agreements concluded between the social partners. Corporate personnel policy, including personnel planning and

corporate social benefit schemes as well as the works constitution have also an impact on the labour market.

**BUNDESMINISTERIUM FÜR ARBEIT UND SOZIALORDNUNG (BMA)**  
(Federal Ministry of Labour and Social Affairs - BMA)

In carrying out his tasks with regard to labour market policy, the Federal Minister of Labour and Social Affairs seeks a concordance of views with all persons concerned. It is obvious that this leads to close contacts with the other federal ministries and in particular with the Federal Employment Services (BA) (cfr page 5). Some projects which concern the labour market do not fall under the overall control of the BMA; for instance, the Federal Ministers of Economics and Finance are responsible for regional and sectoral structural policy as they are for short-term monetary policy and economic policy. In such matters it is the task of the Federal Minister of Labour and Social Affairs to introduce all important aspects concerning labour market policy into the discussion.

Furthermore, the BMA frequently exchanges views with the *Länder*, the employers' associations and trade unions. In addition, civil servants responsible for labour market questions in the **ministries of labour of the *Länder*** are invited in turn to take part in discussions on short or longer term labour market problems which governments have to face. Questions relating to labour market policy are also discussed at the standing conferences of *Länder* ministers of labour and labour senators. Given the federal structure of the Federal Republic of Germany, such exchanges are mutually useful and important, enabling the Federal Minister of Labour and Social Affairs to explain his ideas on labour market policy and to gain the *Länder* governments' collaboration, at the same time as enabling the *Länder* to explain their problems to the Federal Government.

**Organisation and responsibilities**

Below top management, the BMA is divided into a number of specialist departments which are grouped into divisions according to their areas of responsibility. Joint standing orders make this type of organisation mandatory upon all federal ministries.

At the present time, in addition to the central division which is responsible for personnel and administration, there are seven divisions covering the following areas:

Division I	Social policy, economic policy and financial policy questions as well as mathematical and financial aspects of social policy
Division II	Labour market policy, employment promotion and unemployment insurance, employment of foreigners
Division III	Labour law, health and safety at work
Division IV	Social insurance, social legislation

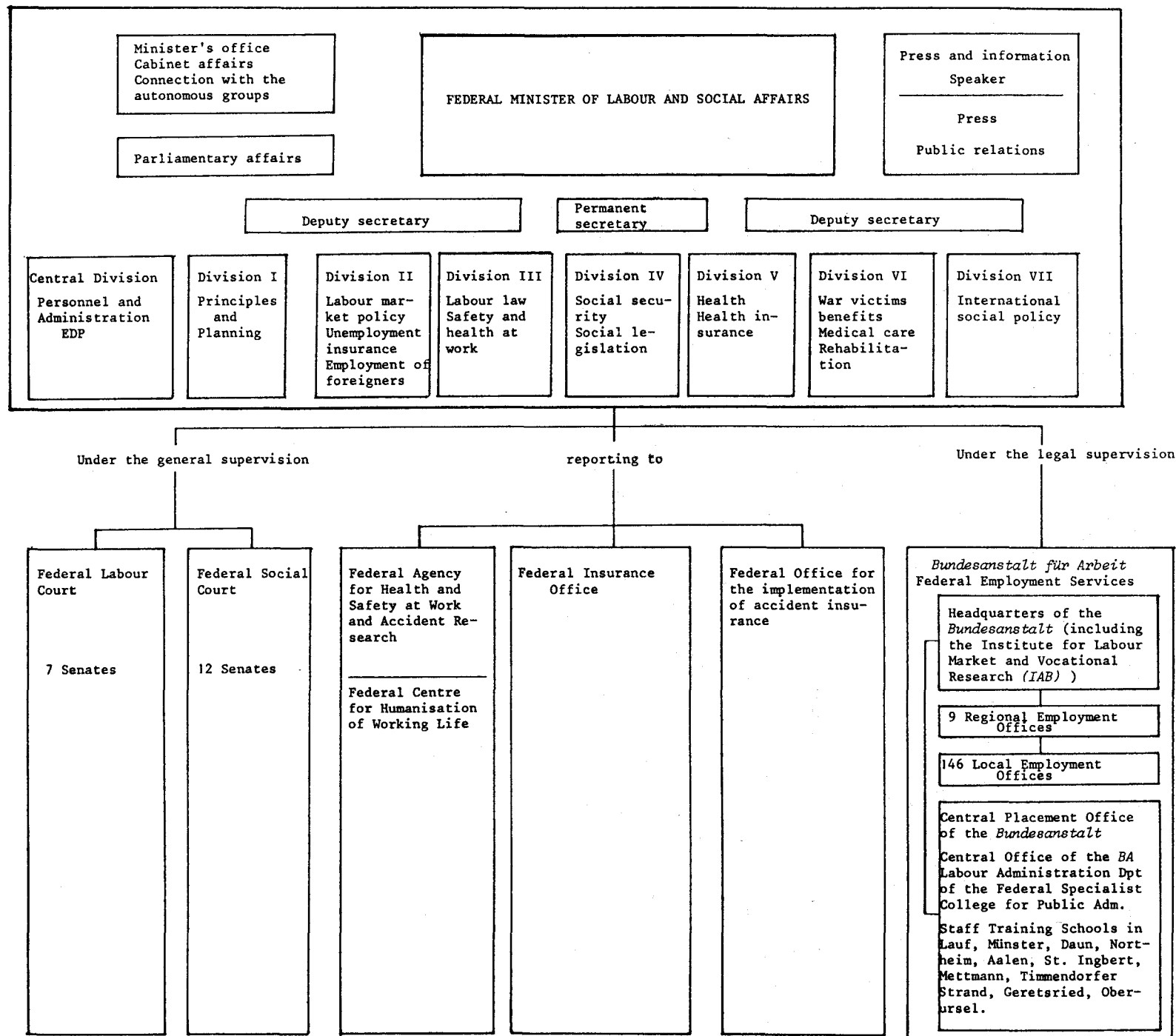


Division V	Health, health insurance
Division VI	Relief to war victims, medical care, rehabilitation
Division VII	International social policy.

The following bodies in particular fall within the ambit of the *BMA*: the Federal Labour Court, the Federal Social Court, the Federal Agency for Health and Safety at Work and Accident Research, the Federal Insurance Office, the Federal Employment Services (*BA*), further subordinated bodies and a series of insurance bodies and their federations (cfr organisation chart page 4).

One of the most important tasks of the *BMA* at the present time is to shape labour market policy, which is entrusted to Division II. The division is divided into three sub-divisions responsible for "labour market policy", "employment promotion and unemployment insurance" and "employment of foreigners" respectively.

The legal basis for deploying labour market policy instruments including the counselling and placement services is the Labour Promotion Act (*AFG*) (cfr page 32). The tasks set out in *AFG* are carried out not by the *BMA* but by the Federal Office for Manpower Placement and Unemployment Insurance set up in 1952, now known as the *Bundesanstalt für Arbeit - BA* (the Federal Employment Services) (cfr page 5). The *BMA* works in close co-operation with the *Bundesanstalt* to achieve the aims of the Labour Promotion Act. The Federal Minister of Labour is responsible for the legal supervision of the *BA*, i.e. he is authorised and required to monitor the lawfulness and legality of, and, if necessary to query, the decisions of the *BA*. He has the right to take part in the closed sessions of the self-governing bodies of *BA* and to express his opinions there. Furthermore, he authorises the orders issued by the self-administration. The annual budget of the *BA* requires the authorisation of the Federal Government.



Organisation chart of the Federal Ministry of Labour and Social Affairs and the authorities which come under it.

**BUNDESANSTALT FÜR ARBEIT**  
(The Federal Employment Services)

**1.1. Legal status and constitutional competence**

In the Federal Republic of Germany job placement, vocational counselling and placement of apprentices are public functions and have as such been legally conferred on the *Bundesanstalt für Arbeit* (the Federal Employment Services) - hereunder referred to as *Bundesanstalt* - as the sole body responsible. The *Bundesanstalt* which has its seat in Nuremberg is also in charge of the promotion of vocational training, the administration of unemployment insurance and the handling of the unemployment assistance system.

The *Bundesanstalt* was established on 1 May 1952 (Act of 10 March 1952 on the Establishment of a Federal Office for Placement and Unemployment Insurance - Federal Law Gazette I, page 123). It is a body incorporated under public law. Its self-administrative organs are composed of three groups represented equally by employees, employers and public bodies (Federal and Land Governments, association of municipalities and local governments). Legally, and in its organisation and functions, it is a continuation of the National Office for Placement and Unemployment Insurance founded in 1927.

As a corporation under public law directly associated with the Federal Government, the *Bundesanstalt* is subject to legal supervision by the *BMA* to ensure observation of the law and other legal directives.

The *Bundesanstalt's* organisation offers the advantage of bringing together in a single institution both a well-tried system of financial help designed to achieve the aims of labour market policy and of provision of subsistence in the case of unemployment, and the job placement and vocational counselling services.

**1.2. Decision-making bodies**

The functions of the *Bundesanstalt* directly affect the vital interests of employees and employers. When a state institution was created based on the concept of labour administration, important representational rights were granted to the social groups which had already taken on responsibilities for a placement service and financial support during unemployment before corresponding provisions were made by the state.

The *Bundesanstalt* is a self-governing body incorporated under public law. Representatives of employees, employers and public bodies, acting as honorary members of the self-administrative organs, directly influence the *Bundesanstalt's* purpose and the way in which it operates. Establishing the necessary close links between the organs of the *Bundesanstalt* and their own organisations, they ensure that the tasks of the *Bundesanstalt* are carried out in a practical way. Besides dealing with day-to-day business, they are also called upon to encourage the administration in finding new solutions to problems.

The self-governing organs of the *Bundesanstalt* have a political mandate: in matters which do not require the intervention of the state, the social partners are expected to take charge on their **own** authority.

The self-governing principle is systematically carried out at all administrative levels of the *Bundesanstalt*. The central organs are the **Governing Body** (*Verwaltungsrat*) and the **Executive Board** (*Vorstand*); in the Regional Employment Offices (*Landesarbeitsämter*) and the Local Employment Offices (*Arbeitsämter*), the functions of self-government are performed by the **administrative committees** (*Verwaltungsausschüsse*). All organs are composed of equal numbers of representatives of employees, employers and public bodies who are appointed on the basis of suggestions from the responsible associations or bodies.

The **Governing Body** enacts the statutes of the *Bundesanstalt* and determines its budget. Within the scope of its autonomy it issues regulations in accordance with the provisions of the Labour Promotion Act (*AFG*) to define the benefits and services provided by the *Bundesanstalt*, in particular with regard to eligibility, the prerequisites for the submission of claims, the amount of the benefits, and the procedure.

The **Executive Board** represents the *Bundesanstalt* both judicially and extrajudicially in those cases where this task does not fall under the responsibility of the President of the *Bundesanstalt* within the scope of routine administration. The Executive Board issues directives for the management of routine administration by the President. It prepares the budget for the *Bundesanstalt* which is then submitted to the Governing Body for assessment. As far as personnel is concerned, the Executive Board plays an important part in deciding upon appointments of staff to senior positions. It is also responsible for the administration and investment of *Bundesanstalt* funds.

The **administrative committees** of the Regional and Local Employment Offices assume the tasks of self-government for their respective districts. Within these limits they deal with everything concerning the execution of functions of the *Bundesanstalt* and any related matters. They ensure that specialised functions, such as job placement, vocational counselling, promotion of vocational training, and also improvements in the district organisational structure, are carried out as successfully as possible. The administrative committees are consulted in the preparation of individual budgets and important staff matters.

The self-governing organs at all levels co-operate closely and confidentially with each other and with management.

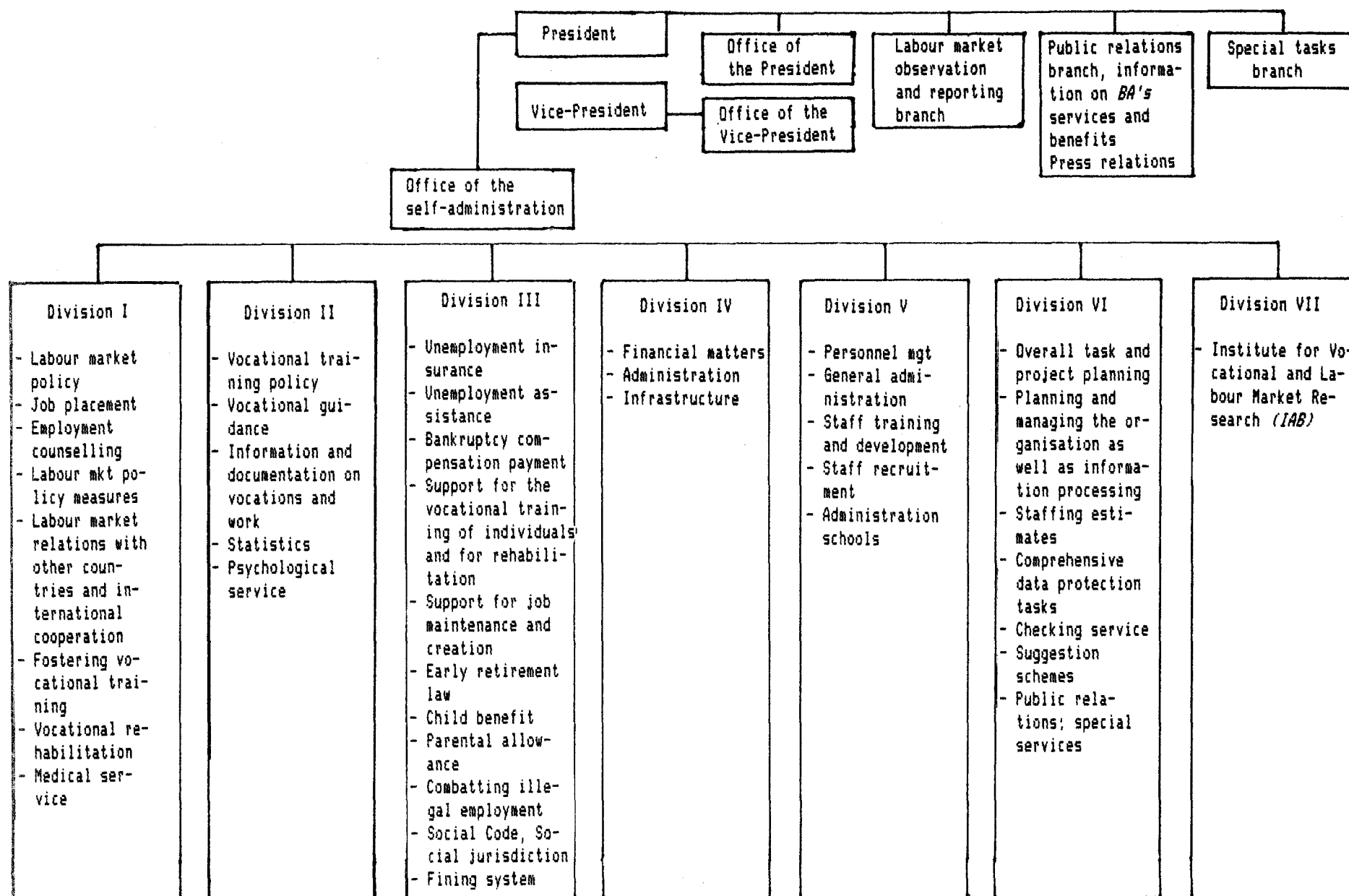
### 1.3. Organisation

The agencies of the *Bundesanstalt* are situated throughout the Federal territory, including West Berlin. The districts that they serve are defined according to the labour market and economic factors.

The *Bundesanstalt* consists of:

- \* The Headquarters
- \* 9 Regional Employment Offices (*Landesarbeitsämter*)
- \* 146 Local Employment Offices (*Arbeitsämter*)

1.3. Organisation chart of the headquarters of the Bundesanstalt



The Headquarters in Nuremberg, with its Institute for Labour Market and Vocational Research (*Institut für Arbeitsmarkt- und Berufsforschung - IAB*), issues basic instructions to ensure that the tasks of the *Bundesanstalt* are properly and uniformly carried out throughout the Federal territory. Immediately under its control are the following special offices for central and interregional tasks:

- \* the Central Office in Nuremberg,
- \* the Central Placement Office in Frankfurt/Main,
- \* the Staff Training Schools (*Verwaltungsschulen*) in Aalen, Daun, Geretsried, Lauf, Mettmann, Münster, Northeim, Oberursel, St. Ingbert, and Timmendorfer Strand,
- \* the "Labour Administration" Department of the Federal Republic Specialist College for Public Administration in Mannheim,
- \* the Pre-Audit Office (*Vorprüfungsamt*) in Nuremberg.

The **Regional Employment Offices** are responsible for a large number of Local Employment Offices whose work they coordinate. Their administrative districts usually comprise one or two Federal States. One large State (Bavaria) is divided into two Regional Employment Office districts.

The **Local Employment Offices** are responsible for dealing directly with the public in all fields. Where necessary, permanently or temporarily manned external offices (branch and auxiliary offices) are established in the Local Employment Office districts that mostly comprise several municipal and regional districts.

#### 1.4. Number of personnel

The tasks of the *Bundesanstalt* are carried out by civil servants and by employees working under private law contracts. On 15 November 1987 the staff of the *Bundesanstalt* was made up of 13.232 civil servants foreseen in the budget and 40.073 employees. In addition, 6.672 persons were employed on a fixed term contract.

The rating of positions and activities for civil servants and employees is carried out according to a standard assessment system which has been laid down in a special assessment catalogue or in the collective remuneration agreements.

The Local Employment Offices' staff requirements in the special fields of job placement and employment counselling, vocational counselling, benefits and allowances and administration are objectively worked out according to needs by means of assessment systems which are based on work-study principles.

All personnel must be professionally qualified and versatile. Particular importance is therefore attached to a good education and further training of the staff. A special sub-division at the Headquarters is maintained to deal with training and further training matters. The Regional Employment Offices have training units, and there are educational officers and practical instructors in the Local Employment Offices. In addition, the *Bundesanstalt* maintains several schools for the education and further training of its staff. Trainees for higher career positions are instructed in "labour administration" at the College in Mannheim (cfr. 1.3.).

### 1.5. Operational budget

#### Raising of funds

In order to carry out its functions, the *Bundesanstalt* levies contributions. The current rate of contributions is 2.15 per cent from both the employee and the employer. The highest rate on which contributions may be based is related to changing circumstances: it is coupled with the contribution assessment ceiling of the statutory pension insurance.

Basically, all persons who are employed as workers or salaried employees for remuneration or for their vocational training are liable to pay contributions irrespective of the amount of their income. Those persons are referred to as employees (*Arbeitnehmer*). Contributions are compulsory within the area of jurisdiction of the Labour Promotion Act. Employment abroad may, however, be equated with employment at home by supranational law or international agreements.

The following persons are exempt from contributions:

- civil servants, students, and schoolchildren,
- employees who draw pensions because of inability to work,
- employees who, because of reduced capacity for work, are permanently unavailable for placement,
- employees engaged in temporary, occasional or incidental work,
- casual workers.

Employees who are at least 63 years of age do not pay contributions but still receive benefits up to the age of 65 years.

Contributions are collected by the health insurance administration and transferred to the *Bundesanstalt*.

#### Budget and assets

As a body incorporated under public law, the *Bundesanstalt* has its own budget. The budget, drawn up by the Executive Board and assessed by the Governing Body, requires the approval of the Federal Government. A budget surplus is transferred to the reserve fund, and budget deficits are covered by corresponding withdrawals from the reserve. If the need of the *Bundesanstalt* for funds cannot be covered by contributions and the reserve fund for securing solvency, the Federal Government grants the *Bundesanstalt* a loan equal to that portion of the reserve on long-term investment. If the need is still not covered, the necessary subsidy is granted according to Art. 120 of the Basic Law (*Grundgesetz*).

The Federal Auditing Office (*Bundesrechnungshof*) examines the budget and business accounts of the *Bundesanstalt*.

The main budget income (more than 90 per cent) for the *Bundesanstalt* to finance its functions according to the Labour Promotion Act is derived from the contributions paid to it. The funds for financing the promotion of building activity in the winter (cfr. D-ii.2) and compensation for loss of earnings due to bankruptcy (cfr. D-ix.1) are raised by special contributions.

The financial means of the *Bundesanstalt* may only be used for legally prescribed or permitted purposes. Among the main budgetary expenses are the

expenses for labour market policy programmes (especially for vocational training and rehabilitation and incentives to enter employment), the allowances for job maintenance and creation (especially promotion of job creation measures and short-time working, winter- and bad weather allowances), and benefits in the case of unemployment or an employer's insolvency.

#### **Expenditure on behalf of the Federal Government**

The *Bundesanstalt* also pays out considerable amounts on behalf of the Federal Government. These are chiefly benefits under the Federal Child Benefit Act (*Bundeskindergeldgesetz*), unemployment assistance, and incentives for taking up employment in Berlin. The administrative costs for carrying out the provisions of the Federal Child Benefit Act are refunded to the *Bundesanstalt* by the Federal Government.

#### **1.6. Co-operation and co-ordinated activities**

The *Bundesanstalt* has close relationships with the *BMA*, as well as the main employers' associations and trade unions.

#### **1.7. International contacts**

Co-operation with public employment services from other countries is both direct and through international and supranational organisations. Of particular note are the European Communities (EC), the International Labour Organisation (ILO), the International Association for Social Security, as well as international employers' and employees' associations in cases where their activities overlap the *Bundesanstalt's* scope of functions.

Various projects of the ILO (for example, technical and personnel aid projects for Third World countries) directly overlap the *Bundesanstalt's* tasks. Within the scope of its possibilities, the *Bundesanstalt* supports these activities by making available its know-how and services for the placement of specialised staff. *Bundesanstalt* personnel also participate in the projects, for example in the establishment and expansion of employment services in developing countries.

In conjunction with the "Society for Technical Cooperation" (*Gesellschaft für Technische Zusammenarbeit - GTZ*) the *Bundesanstalt* has set up the working group "Centre for International Migration and Development" (*Centrum für Internationale Migration und Entwicklung - CIM*) in Frankfurt/Main. Staff from the two organisations work there together on:

1. the "Integrated Experts" programme ("*Integrierte Fachkräfte*"), i.e. the scheme to send German experts to Third World countries, where they will be taken on as workers by local employers and under local conditions of work. In addition to receiving the local rate of pay, these experts are paid a subsidy from the funds of the Federal Ministry for Economic Cooperation;
2. the reintegration of foreign employees, experts and executives who receive training or further training in the Federal Republic of Germany.



## Chapter II: LEGAL FRAMEWORK AND PROCEDURES

### 1. SOURCES OF LAW

Some important principles of labour law are **guaranteed** by the **Constitution**. The Basic Law (*Grundgesetz*) guarantees: the inviolability of human dignity (Art. 1); the right to free development of the personality (Art. 2); the equality of men and women at work (Art. 3, section 2); the ban on arbitrary treatment of an employee on grounds of sex, birth, race, language, nationality and origin, faith, religious or political views (Art. 3, section 3); the right to free collective bargaining together with the freedom of association (Art. 9, section 3); the (German) employee's freedom of movement and his/her right to freely choose his/her occupation, place of work and training (Art. 11 and 12, section 1); and finally the ban on forced labour (Art. 12, sections 2 and 3).

There is no uniform statutory regulation under German labour law. The **Civil Code** regulates formal aspects of contractual obligations, in particular the service contract. To these regulations are added numerous special laws (eg. protection against wage seizure in the Code of Civil Procedure).

In addition to government regulations (laws and statutory orders - cfr. 2 below), accident prevention regulations issued by the trade associations as bodies incorporated under public law constitute important sources of law as regards **safety and health at work** (*Arbeitsschutz*) which encompasses in particular the protection of persons against danger, health protection and the protection of workers in respect of working hours. These accident prevention regulations contain the technical security requirements which have to be met when operating machines, equipment and technical installations. Governmental and trade associations' regulations are complementary. The implementation of safety and health at work is the employer's responsibility. He/she is required to equip workplaces, machinery, equipment, plants and other installations, look after their maintenance and ensure their operating in such a way that the workers are protected against risks to their life or health. Just as there are regulations stemming from the government and from the trade associations, there are two supervisory bodies inspecting the implementation of regulations for protecting the workers: the factory inspection (*Gewerbeaufsichtsämter*) of the *Länder* and the trade associations. The factory inspections employ some 3.000 and the trade associations some 1.300 persons who carry out the inspection in the plants.

In practice, **central agreements** (collective agreements and company agreements) are an important source of law. They constitute autonomous law, self-imposed by the employers' organisations or individual employers and trade unions or by company bodies (the employer and the works council). The terms of such agreements are binding, provided they lie within the law. The task of the trade unions and the employers' organisations, guaranteed in the Basic Law, is to lay down in comprehensive collective agreements the conditions of employment and to adapt them continuously to the prevailing economic and social developments. The bargaining parties act autonomously, ie. on their own authority and without government influence but within the general conditions set by the constitution and by legislation.

However, a number of questions pertaining to labour law are still settled neither by government regulations nor by collective agreements, central labour agreements or agreements at plant level. This is where the so-called **case law** (*Richterrecht*) has assumed a generally accepted legal function. The labour courts, with the Federal Labour Court at the top, have in many areas drawn on individual and collective labour law, amending Statute Law or adapting it to the changing social and economic environment.

In the Federal Republic of Germany disputes resulting from the employment relationship or at company level cannot be settled by industrial action. Nor is this necessary, for labour can turn to the independent labour courts which give effective legal protection. There are three levels of appeal: the Labour Court (*Arbeitsgericht*), the Regional Labour Court (*Landesarbeitsgericht*), and the Federal Labour Court (*Bundesarbeitsgericht*). Labour and employer representatives are involved in all three levels of appeal as lay-judges. However, the best labour court system would be of no use if legal protection were expensive. Therefore labour court proceedings are relatively inexpensive compared to those of other courts.

## 2. SUMMARY OF THE MAIN STATUTES

### (a) Law pertaining to the employment relationship

The Civil Code (*Bürgerliches Gesetzbuch - BGB*) "*Schuldrecht*" (Law of contract)

The Civil Code covers mainly fundamental aspects of employer-employee relationships, such as the right to adequate remuneration, date of payment of the remuneration, remuneration in the case of non-acceptance of the work by the employer, remuneration in the case of a temporary inability of the employee to report to work, equal treatment of men and women, safeguarding of employees' rights on transfer of undertakings, the employer's obligation to take protective measures, periods of notice of employment relationships, and the substantive right of summary dismissal/resignation without notice (*außerordentliche Kündigung*).

### Continued Payment of Wages Act (*Lohnfortzahlungsgesetz*)

Any worker who, through no fault of his/her own, is unfit to work because of illness is legally entitled to continued payment of his/her wage for six weeks. Employees have the same right based on different legal regulations.

### Protection against Dismissal Act (*Kündigungsschutzgesetz*)

This Act provides protection against dismissal for wage and salary earners working in companies the regular workforce of which numbers more than five, and who have worked in that company for more than six months. The law considers dismissal to be "socially unjustifiable" (*sozial ungerechtfertigt*) if there is no reason arising from the nature or behaviour of the person involved or from the urgent requirements of the company impeding the continued employment of the person with the company.

"Urgent company requirements" constitute the major reason for dismissal in times of economic recession. These include company closure or lasting shortages of orders and permanent shortages of raw materials, provided that these have already assumed tangible forms. In selecting those members of the

workforce who are to be made redundant because of urgent company requirements, the employer has to take social circumstances into consideration. If in making his/her selection, the employer has not given any, or has given insufficient consideration to these social aspects, the dismissal will be void despite urgent company requirements. This does not apply however, if technical, economic or any other justified company requirements make it necessary to maintain one or more specific workers in employment, thereby preventing selection based on social aspects. What matters is to decide which worker has the least need of keeping his job.

If a works council exists in a company it has to be heard prior to any dismissal by the employer, irrespective of whether it is a question of dismissal with notice (*ordentliche Kündigung*) or summary dismissal (*außerordentliche Kündigung*). For the hearing to be effective, it is indispensable for the employer to inform the works council of the projected dismissal, stating at the same time the reason for it. The information must be given in good time to enable the works council to consider the case and to give its opinion. Without such a hearing the dismissal is void from the start.

#### **Protection against dismissal procedure (*Kündigungsschutzverfahren*)**

Appeals against socially unjustifiable dismissals can be made to the Labour Court. Within three weeks of having received his/her notice, the worker has to institute dismissal protection proceedings against the employer with the Labour Court.

#### **Termination of the employment relationship with financial compensation (*Auflösung des Arbeitsverhältnisses gegen Abfindung*)**

It often happens that the parties to a dismissal dispute are on such bad terms that meaningful collaboration is no longer possible. Therefore, the law authorises the judge, on request and under specific conditions, to terminate the employment relationship with payment of compensation by the employer, although there were insufficient grounds for dismissal.

The law extends special protection to members of the works council, disabled persons, pregnant women and mothers.

#### **Employment Promotion Act (*Beschäftigungsförderungsgesetz*)**

This Act contains a whole set of employment policy measures for the legislator to react to the difficult labour market situation.

Under the provisions of the Act the rules relating to fixed term contracts are relaxed. Until 1 January 1990 contracts of employment may be concluded for a fixed term of 18 months (24 months in the case of new companies being set up) when an employee is taken on for a new appointment, or when a vocational trainee/apprentice is employed on a temporary basis immediately after vocational training, because there are no posts available for a permanent appointment.

The Act also improves the protection of the part-time worker as regards labour legislation:

- An employer may not treat a part-time worker differently from a full-time worker because of his/her status as a part-timer unless there are objective reasons for him/her to be treated differently.

- Furthermore, special types of part-time in-company work which have been developed, such as adaptation of hours of work to volume of work or job-sharing, are made socially acceptable through regulations designed to protect the employee.

The inclusion of maternity protection benefits (*Mutterschutzleistungen*) in the already existing compensation procedure under the Continued Payment of Wages Act considerably alleviates the burden on smaller companies caused by these maternity protection benefits, thereby enhancing the employment prospects for young women. Furthermore, the eligibility criteria for taking part in vocational reintegration measures have been improved for women wishing to return to working life after raising a family.

#### **Temporary Employment Businesses Act (*Arbeitnehmerüberlassungsgesetz*)**

This Act regulates the supply of workers by temporary employment businesses (*Leiharbeit*). Such supply of workers is subject to the authorisation by the employment office. The authorisation is refused to businesses lacking reliability or if workers are supplied for longer than six months.

The following are prohibited:

- contracts between the temporary employment business and the employer who employs the temporary worker as well as between the temporary employment business and the worker to be hired out, if the employment business does not have the requisite authorisation;

- agreements which forbid the employer to take on the temporary worker at a time when the latter no longer has a contract with the temporary employment business.

#### **(b) Law pertaining to health and safety at work and to the protection of certain categories of workers**

##### **Industrial Regulations (*Gewerbeordnung*)**

The Industrial Regulations constitute the basis for maintaining industrial safety standards. They apply to all workers, technical employees, apprentices, technicians and foremen in trade and industry.

##### **Hours of Work Regulations (*Arbeitszeitordnung*)**

The Hours of Work Regulations fix maximum daily and weekly working hours and provide for minimum rest periods and breaks, hours of work for performing dangerous work and hours of work for women. Since the rules are only concerned with fixing maximum limits, enough leeway is left for collective agreements, agreements at plant level and individual agreements to fix working hours within this framework. For example, the hours of work regulations stipulate a 48-hour maximum working week, whereas the working week provided for by collective agreements in 1986 was 39.4 hours and continues to fall.

**Regulation on places of work (Arbeitsstättenverordnung)**

The regulation on places of work sets out minimum requirements for work places in industry including workrooms, places of work in the open and building sites. It contains numerous provisions pertaining to the size of the workrooms, lighting, ventilation, protection from noise, facilities, rest rooms, sanitary conveniences and escape and rescue routes.

**Severely Disabled Persons Act (Schwerbehindertengesetz)**

This Act extends special protection to severely handicapped persons. When filling a vacancy, the employer is required to examine whether he can employ a severely handicapped person. Enterprises employing more than 15 workers must employ a certain quota of severely disabled persons. An employer who does not recruit the requisite number, must pay a compensation levy for each obligatory post not filled. The dismissal of a severely handicapped worker is subject to prior approval by the main welfare service (Hauptfürsorgestelle). Enterprises and public services permanently employing at least five disabled workers have to arrange for the election of a representative of the handicapped workers to look after their interests in the enterprise and give them help and advice.

**Act on Outwork (Heimarbeitsgesetz)**

This Act provides special protection against risk and dismissal as well as remuneration safeguard for outworkers. The main provisions of the Act concern remuneration and its safeguard. The highest regional manpower authorities effectively monitor remuneration by means of so-called remuneration auditors (Entgeltprüfer).

**Maternity Protection Act (Mutterschutzgesetz)**

This Act regulates the special protection of contractually employed mothers and pregnant women. It prohibits certain occupations, contains standards as to the design of the workplace, regulations on how work is performed and organised, rules on payment of benefits (such as safeguarding remuneration, maternity benefit) and provisions concerning maternity leave and prohibition of dismissal.

**Protection of Young Persons Employment Act (Jugendarbeitsschutzgesetz)**

This Act provides special protection for young persons. It regulates their working hours and rest periods, contains prohibitions and restrictions on youth employment for the employer and his/her obligations as to health care, and prohibits child labour.

**(c) Law pertaining to collective bargaining**

**Collective Agreements Act (Tarifvertragsgesetz)**

This Act regulates the form and content of collective agreements, the application of collective agreements to the members of the bargaining parties, and the rights and duties of the bargaining parties. It sets out regulations on declaring collective agreements generally binding and defines the collective bargaining parties as well as the leading trade unions and employers' organisations. The Collective Agreements Act does not, however, regulate industrial action which is governed by case law.

**Act on fixing minimum working conditions** (*Gesetz über die Festsetzung von Mindestarbeitsbedingungen*)

Statutory minimum wages do not exist in the Federal Republic of Germany. The Act does, however, authorise the Federal Minister of Labour and Social Affairs to decree minimum working conditions. The authorisation has so far never been used, since free collective bargaining functions well and there has never been any need to apply the law.

**(d) Law governing works constitution and co-determination**

Mention should be made in particular of the **Works Constitution Act** (*Betriebsverfassungsgesetz*) and the statutes which regulate worker co-determination (*Mitbestimmung*) at company level (see also 3d).

**3. LABOUR MARKET INSTITUTIONS AND PROCESSES**

**(a) Employers' associations**

Employers are grouped in a variety of associations, organised both regionally and by industry. The all-embracing employers' interest group is found in the "Joint Committee of German Industries" (*Gemeinschaftsausschuß der deutschen gewerblichen Wirtschaft*). This is made up of the 14 leading industrial organisations, the strongest and most influential ones being the **Confederation of German Employers' Associations** (*Bundesvereinigung der Deutschen Arbeitgeberverbände - BDA*) and the **Federation of German Industries** (*Bundesverband der Deutschen Industrie - BDI*).

The **BDA** is composed of more than 50 member federations, grouped by trade and region, which in turn represent some 900 smaller sub-associations, covering roughly 80% of all private enterprises. With its sub-divisions the **BDA** controls a wide network of regional and local offices and institutions. The main function of the **BDA** is to represent employers' interests in the area of social policy.

**(b) Trade unions**

After the Second World War trade unions have been organised mainly according to industries (the so-called "*Industrieverbandsprinzip*" or principle of federations by industry which means an association of workers of a specific industry regardless of the nature of their job). 17 such industrial unions constitute the **German Confederation of Unions** (*Deutscher Gewerkschaftsbund - DGB*). The member unions of the **DGB** consider themselves to be 'unitary' unions and claim to have no party-political or ideological attachments.

In addition to the industry-based unions, a salaried employees' union came into existence in the British zone of occupation grouping salaried employees from all branches of industry. Later this union spread over the whole of federal territory and is known today as the **German Union of Salaried Employees** (*Deutsche Angestellten-Gewerkschaft - DAG*). Mention should also be made of the **Christian Confederation of Unions** (*der Christliche*

*Gewerkschaftsbund - CGB*) and the German Civil Servants' Confederation (*der Deutsche Beamtenbund - DBB*).

At the end of 1986 more than 9.3 million wage and salary earners were unionised, ie. 41,5% of all persons in dependent employment. With 7.76 million members at the end of 1986, 34,4% of the persons in dependent employment belong to *DGB* unions. However, the degree of unionisation varies considerably from one industry to another. The union having by far the most members is the metal workers' union (*IG Metall*). Of the other unions the *DAG* had 496,299, the *DBB* 782,059 and the *CGB* 307,471 members at the end of 1986, representing together some 7% of the persons in dependent employment.

### (c) Collective bargaining and the social partners

The Collective Agreements Act contains provisions on the form and content of the collective agreement, the application of the collective agreement to the members of the bargaining parties, the effects of the rules of law of the collective agreement, etc (cfr 2c above). The only bargaining parties on the employees' side are the trade unions and on the employers' side the employers' associations or individual employers. As a rule, pay agreements are concluded for a year at a time. Framework agreements (*Manteltarifverträge*) which regulate other conditions of employment such as weekly hours of work, vacation, release from work, bonuses and dismissal notices are traditionally concluded at longer intervals and thus run for a number of years. Collective agreements make it binding on the parties to the agreement to observe industrial peace on the contractually agreed matters for the term of the agreement. Conditions of employment agreed to by collective agreement are legally binding only on the members of the organisations concluding the collective agreement (*Tarifgebundenheit*). In practice, however, employers who are parties to a collective agreement often apply the terms of the agreement to all employment relationships in their companies. Thus it is the collective bargaining parties which in the individual collective bargaining sectors bring about uniform industry-wide conditions of employment.

The bargaining parties have made broadest possible use of the scope they were given: collective agreements have been concluded in industry and the services which together employ some 95% of the workforce. From 1949 to the end of 1986 nearly 221.000 collective agreements were concluded, some 44.000 of which are in force. Over the last years, an average of up to 7.000 new collective agreements have been concluded every year.

In the event of failure of the bargaining parties to reach agreement, an arbitration procedure can start aimed at reaching a collective agreement, thus preventing the outbreak of industrial action. For important industries covering some two thirds of all persons employed, the collective bargaining parties have made a prior agreement on the modalities of the arbitration procedure. In as far as that is not the case, the bargaining parties can agree on an *ad hoc* arbitration procedure or avail themselves of public arbitration boards which are set up in the *Länder*. There is no legal obligation to resort to arbitration nor to accept the outcome of an arbitration procedure.

(d) Enterprise bodies

- Works Council (*Betriebsrat*)

The Works Constitution Act (*Betriebsverfassungsgesetz*) regulates the composition and function of the works council. The works council is not a trade union body. It is the organ for representing all wage- and salary-earners of a company regardless of union membership. In spite of being mutually independent, the works council and the trade unions are expected to cooperate in the interest of those employed by the company. Works councils must be set up in companies which regularly employ at least 5 permanent workers having the right to vote. The works council is elected by all workers. Foreigners are also eligible to vote and to be elected. Neither employer representatives nor managing staff sit on the works council.

The number of members of a works council depends on the size of the company's workforce. A works council with several members has to have a chairman and deputy chairman. Bigger works councils, with at least 9 members, have a works committee (*Betriebsausschuß*) which handles the works council's day-to-day business. To be a member of a works council is an honorary post performed free of charge. Works council members may not be penalised as regards their contract of employment on account of their activity. For carrying out their tasks they have to be released from work, which must not result in reduced pay. Furthermore, works council members are under special protection from dismissal. The costs of the works council's activity are to be borne by the employer.

The employer and the works council are expressly required by law to "work together in a spirit of mutual trust", in accordance with the collective agreements for the general benefit of the company. This principle of cooperation cannot, and is not intended to, remove the natural clashes of interests between the employer and the works council as an organ representing the workforce, but it does set the standard for cooperation.

The manifold statutory participatory rights of the works council are divided into two groups: participation rights (*Mitwirkungsrechte*) and co-determination rights (*Mitbestimmungsrechte*). The scope of the works council's participation and co-determination competence varies according to whether social welfare, personnel or economic matters are dealt with.

**Participation rights** include the right to be informed, to make suggestions, to be heard and to be consulted. **Co-determination rights** are spoken of in cases where the works council has the right to contradict or where the approval of a measure the employer intends to take is at the discretion of the works council and cannot be enforced by court. If, in cases of co-determination the two sides cannot agree, they can call on an arbitration panel (*Einigungsstelle*) to decide the issue. Labour and management are equally represented on this panel which is presided over by an impartial chairman. In the event of the employer carrying out measures which are subject to co-determination without having the works council's approval or the arbitration panel's decision, these measures are always null and void.

Larger enterprises tend to have several plants and thus several works councils. In such cases the Works Constitution Act provides for **overall works**



councils (*Gesamtbetriebsräte*) to be set up. Individual works councils of a single group of companies (*Konzern*) can decide to set up a **group works council** (*Konzernbetriebsrat*). An **economic committee** (*Wirtschaftsausschuß*) has to be set up in all enterprises having as a rule a permanent workforce of over one hundred. The task of the economic committee is to discuss economic matters of the enterprise with management and to report back to the works council. The right to such information and consultation is of great importance to the workforce, since there is no right to economic co-determination at the plant level.

**- Labour on the supervisory board (*Arbeitnehmer im Aufsichtsrat*)**  
**(Co-determination in the enterprise - *Unternehmensmitbestimmung*)**

The purpose of having representatives of the workforce and their trade unions participate in the bodies of enterprises and groups of companies is to ensure the workforce's direct involvement in important corporate planning and decisions. This is achieved by having labour representatives sent or elected to the supervisory board of companies in order to partake, together with the capital owners, in information, planning and decision-making which are of the supervisory board's competence.

In all enterprises having legal status employing more than 2.000 workers, representatives of capital and labour each have half the seats on the supervisory board (Co-determination Act of 1976). However, because of the legal regulations pertaining to the election of the chairman of the supervisory board and since the chairman has the casting vote in tied votes, capital is in a position of having its way in any possible confrontation with labour.

The coal-mining, iron and steel industries have their own set-up for historical reasons. They also have numerical labour/owner parity in the supervisory boards of enterprises, but the labour position is stronger since both sides have to agree on an additional neutral member as board chairman (*Montan-Mitbestimmungsgesetz 1951* - Coal-Mining and Iron and Steel Companies' Co-determination Act of 1951).

Labour participation in corporate decisions in small companies is less well ensured. One third of the members of supervisory boards of companies with legal status employing at least 500 persons have to be labour representatives (Works Constitution Act of 1952).

**- Labour director (*Arbeitsdirektor*)**

The members of the executive board (the management group) of an enterprise having legal status are appointed by the supervisory board. According to the terms of the Co-determination Act of 1976, the supervisory board has to appoint a labour director as a full member to the management group. His/her prime area of concern in this group is social and personnel matters. He/she has also a role of mediator between the company's management and labour as well as the works council. According to the terms of the Coal Mining and Iron and Steel Companies' Co-determination Act, the labour director cannot be appointed or dismissed without the consent of the majority of the worker representatives on the supervisory board.

#### 4. BENEFIT CONDITIONS FOR UNEMPLOYMENT

Under the provisions of the Labour Promotion Act, an unemployed person can claim unemployment benefit or unemployment assistance in place of lost income if he/she cannot immediately be placed in reasonable employment.

Foreign workers who are entitled to take up employment in the Federal Republic of Germany, have the same claim to these benefits as Germans. Insurance and employment periods covered abroad, however, can only be taken into account according to international law or according to the provisions of bilateral and multilateral agreements on unemployment insurance. In addition to the European Community provisions, the Preliminary European Agreement on Social Security and the Rhine Navigators' Agreement, there are bilateral agreements on unemployment insurance with Finland, Yugoslavia, Austria, Sweden, and Switzerland.

**A. Unemployment benefit (*Arbeitslosengeld*)** is an insurance benefit which ensures not only subsistence during unemployment but reasonable support without deterioration of social status. A modern procedure creates the conditions for rapid granting of the benefit. Payment is by money transfer. The recipient of unemployment benefit need not report regularly to the employment office, but only when requested to do so by the local employment office.

##### Eligibility for claims

The claim to unemployment benefit presupposes that the applicant is unemployed, available for employment, that he/she has fulfilled his/her qualifying period, that he/she has reported to his/her local employment office and applied for unemployment benefit. He/she cannot claim unemployment benefit from the age of 65 onwards.

An unemployed person is an employee who is temporarily out of employment. Short-term employment (ie. less than 18 hours a week) or self-employment to a corresponding extent do not exclude the possibility of unemployment.

Persons who can carry out work under the normal conditions of the general labour market are available for placement. Individuals must be prepared to accept any suitable employment.

The qualifying period is fulfilled by those who have in the reference period (in the last three years before reporting unemployed) been employed for 360 calendar days and have paid compulsory contributions. Periods without remuneration are in general not taken into account. For workers who work regularly for less than 360 calendar days in a calendar year solely because of the peculiarity of their job, so-called seasonal workers, a statutory order lays down that the qualifying period is fulfilled by being employed for and having made compulsory contributions over 180 calendar days.

The appropriate office for reporting unemployed is the local employment office in the area of the unemployed person's residence. The application for unemployment benefit must also be submitted there: the application is also accepted by other bodies which, under the provisions of the Social Code, are

responsible for the administration of social benefits, and by all municipalities.

Beginning and duration of the claim

The unemployed person does not need to complete a waiting period.

The duration of the claim to unemployment benefit depends on the previous periods of employment and the unemployed person's age according to the following table:

Period of employment in calendar days	in years (prior to registration and claim)	Entitlement to claim weekdays (without Sundays)				
		Age				
		under 42	from 42	from 44	from 49	from 54
180*	3	78	78	78	78	78
240*	3	104	104	104	104	104
360	3	156	156	156	156	156
480	7	208	208	208	208	208
600	7	260	260	260	260	260
720	7	312	312	312	312	312
840	7		364	364	364	364
960	7		416	416	416	416
1080	7		468	468	468	468
1200	7			520	520	520
1320	7			572	572	572
1440	7				624	624
1560	7				676	676
1680	7					728
1800	7					780
1920	7					832

\* Applies only to seasonal workers under special conditions they have to meet

Rate of unemployment benefit

The unemployment benefit amounts to 68 per cent of wages after legal deductions (taxes and social security contributions) for unemployed persons with at least one dependant child (according to the terms of the Income Tax Act). In all other cases the rate of unemployment benefit is 63 per cent. There are no family supplements. The rates of unemployment benefit vary according to the different tax rates which an employee must pay in the respective income tax class. The Federal Minister of Labour and Social Affairs stipulates by decree the rates for every calendar year.

The assessment of the basic amount depends on the wage received during contractual working hours (without taking overtime pay and recurrent or non-recurrent payments into consideration). The last 60 days - before the last day of employment - with a claim to remuneration are normally taken as a basis. Hardship which may arise in certain circumstances is dealt with by special provisions.

The remuneration on which the assessment of the unemployment benefit is based as well as the assessment ceiling are adapted annually to the general development of incomes.

#### Supplementary income

50% of supplementary income which an unemployed person in receipt of benefit obtains from temporary employment, is deducted from the unemployment benefit, insofar as the supplementary income, net of income tax, social security contributions and professional expenses, exceeds DM 30 per week. If what remains of the unemployment benefit, together with the supplementary income, amounts to more than 80% of the last average net wage, the supplementary income will be deducted in full from the benefit.

#### Suspension of entitlement

The entitlement to unemployment benefit is suspended during a period in which the unemployed person receives, or is entitled to receive remuneration. The same holds true if, because of the termination of the work contract, the unemployed person receives, or is entitled to receive holiday money. It is also suspended if, because of the termination of the work contract, the employer has to pay a settlement, compensation or a similar benefit to the employee and if the employment relationship has been terminated without a notice period corresponding to that of termination of contract with notice. The period of time for which the entitlement is suspended in these cases depends in principle on the notice period of the termination of a contract with notice. Furthermore, almost all benefits under public law which compensate for wages (sickness benefit, pensions) cause the suspension of entitlement to unemployment benefit.

#### Period of disqualification and lapse of entitlement

The unemployed person will be disqualified for eight or twelve weeks (depending on the circumstances of the case) if he/she has terminated his/her employment contract, or through behaviour contrary to the terms of the contract, has given reason for the employer to dismiss him/her and so deliberately, or through gross negligence, has brought about his/her unemployment, or in spite of advice on the legal consequences, has not accepted, or taken up, or has refused to take up work offered by the employment office or to take part in a programme for vocational training, further training or retraining, or for improving his/her prospects of employment as well as vocational rehabilitation, or has discontinued participation in such a course, without good reason for doing so. In cases of hardship, the disqualification period will be four or six weeks. If the unemployed person has previously given cause for an eight or twelve week period of disqualification and has received written notice of this, any remaining entitlement to benefit will lapse if the person causes a further disqualification of at least eight weeks.

**B. Unemployment assistance (Arbeitslosenhilfe)** serves the same purpose as unemployment benefit, and both form a comprehensive system of protection in case of unemployment. Foreigners who are entitled to enter employment in the Federal Republic of Germany may obtain unemployment assistance under the same conditions as German employees. The costs of unemployment assistance are borne fully by the Federal Government.

The regulations governing the entitlement to unemployment assistance are similar to those for unemployment benefit with certain exceptions. Unemployment benefit and unemployment assistance are basically considered as integrated benefits.

#### Eligibility for claims

Unemployment assistance can be claimed by a person who is unemployed, available for placement, has registered at the employment office and applied for unemployment assistance, has no entitlement to unemployment benefit, is in need and in the last year before registering as unemployed, has drawn unemployment benefit or has been in contributory employment for at least 150 calendar days, or such time as to fulfil the qualifying period. Time spent under a public law service contract and time spent in military or civilian service is considered equal to contributory employment.

Previous employment is not required for persons who, during the last 12 months, have received subsistence benefits under public law for at least 240 calendar days - for example because of illness, occupational invalidity, incapacity for work or a rehabilitation measure - and who no longer receive these benefits because the impairment in question no longer exists.

An unemployed person is in need if he/she can provide subsistence for himself/herself and his/her dependents only with the help of unemployment assistance. For the means test, the income of the unemployed person is completely taken into account. The income of his/her dependents for whose maintenance he/she is liable and property owned by him/her or one of his/her dependents are considered only if they exceed certain exemptions. Some benefits, however, are not taken into account. These include benefits for preventive and follow-up health care, basic pensions under the Federal Assistance Law, and child benefit under the Federal Child Benefit Act.

#### Duration of entitlement

As a rule, unemployment assistance is granted for an unlimited duration. However, after a year's period of time eligibility has to be proved again.

#### Rate of unemployment assistance

Unemployment assistance amounts to 58 per cent of wages after legal deductions (taxes and social security contributions) for unemployed persons having at least one dependant child (according to the terms of the Income Tax Act). In all other cases it amounts to 56 per cent. If unemployment assistance is granted following the drawing of unemployment benefit, the amount is based on the wages which were last used as the assessment basis for unemployment benefit. In all other cases, unemployment assistance is based on the wages the unemployed person received in his/her last job.

The remuneration on which the assessment of the unemployment assistance is based is adapted annually to the general development of incomes. Like for unemployment benefit, the rates of unemployment assistance are stipulated for every calendar year by decree of the Federal Minister of Labour and Social Affairs. There are no family supplements.

#### Procedure

Unemployment benefit and unemployment assistance are paid by money transfer. Payment is made regularly every two weeks on the same weekday.

### C. Health, pension and accident insurance for the unemployed

Persons drawing unemployment benefit and unemployment assistance are insured with their dependents against sickness by a compulsory health insurance. Costs for this health insurance are borne by the Federal Employment Institute. In the event of incapacity for work, unemployment benefit and unemployment assistance continue to be paid in principle for at most six weeks. After expiry of this period, a claim for sickness benefit exists for the amount that was last awarded as unemployment benefit or unemployment assistance; should there be a change in the eligibility for claims during the incapacity for work, the sickness benefit may, on application and under certain conditions, be increased accordingly.

Since 1 July 1978 recipients of unemployment benefit or unemployment assistance have also been insured in the pension insurance. Until 31 December 1982 the contributions for this depended on the gross remuneration which had been the basis for calculating the benefit and were borne in full by the *Bundesanstalt*.

Since 1 January 1983 the amount of the contributions depends on the amount of the allocated benefit. Furthermore, as from this date, the period of drawing the benefit can no longer be considered as an effective contributory period for the pension insurance but only as a so-called "*Ausfallzeit*" (time which counts towards pension although no payments were made).

At the end of the period of benefit, the beneficiary is issued with a certificate indicating the period of benefit which he/she can use for a subsequent claim of benefit under pension insurance. Moreover, the *Bundesanstalt* passes the same information on to the respective pension insurance authority.

For persons who are drawing benefits and are exempt from contributions to the compulsory pension insurance, the *Bundesanstalt* can agree to pay life insurance policy premiums or contributions to a professional insurance or pension institution or contributions for voluntary membership in the compulsory pension insurance.

Persons drawing unemployment benefit or unemployment assistance are also insured against accidents which they may suffer on the way to or from their residence and an agency of the *Bundesanstalt* or an employer, or while on the premises of one of these places, if the journey was undertaken by order of the local employment office.

## 5. MATCHING LABOUR SUPPLY AND DEMAND

### 5.1. Principles

Under the provisions of the Labour Promotion Act, the *Bundesanstalt* (Federal Employment Services) has, within the scope of the social and economic policy of the Federal Government, the function of helping in particular to ensure that neither unemployment nor manpower shortages occur or persist.

To carry out this function, the *Bundesanstalt* has a placement monopoly, ie. the activity of bringing together jobseekers and employers with a view to establishing employment relationships. Within the scope of its exclusive competence the *Bundesanstalt* may, however, in exceptional cases, commission organisations or persons, on their request, to place certain vocations or groups of persons (eg. placement of concert artists and artists). Such organisations and persons are subject to the supervision of the *Bundesanstalt* and co-operate with its agencies.

Employees and employers use the placement service on an entirely voluntary basis. There is no compulsory notification of vacancies on the part of the employers.

Placement activities are carried out free of charge and according to the principle of impartiality.

- "Free of charge" means that the *Bundesanstalt* may not charge a fee to employers or employees for placement. Fees may only be charged to employers for covering expenses if these exceed the normal level.

- In accordance with the principle of impartiality individual employers or employees may neither be given preferential treatment nor be put at a disadvantage in the course of placement without a legitimate reason. The law extends priority as regards placement to certain groups of persons, such as the severely disabled, who are at a disadvantage which can only be compensated for by priority in placement.

Employment counselling is another of the *Bundesanstalt's* tasks which it has to carry out, even if it is not connected with placement. Employment counselling encompasses informing employees and employers about the state of the labour market, the trends in trades and professions, the need and opportunities for vocational training and training incentives, incentives for entering employment and advising on questions relating to choosing a job or filling a vacancy.

Contrary to placement and vocational guidance, the *Bundesanstalt* has no exclusive right to employment counselling. Apart from that, the same principles apply to employment counselling as to placement, notably the principle of the service being free of charge and the principle of impartiality.

## 5.2. Organisation

The placement service is subdivided according to the classification of vocations/professions, making no distinction of sex. The basic organisational unit is the vocational area. The number of vocational areas and the grouping of certain vocations into organisational units depend on the size and structure of the district concerned.

Disabled and severely disabled persons are taken care of by a special service. They have a greater need for comprehensive, conscientious and individual employment counselling.

The placement of young people who cannot be considered for vocational training, or who do not want it, is put in the hands of placement officers who, apart from their professional qualifications, have a penchant for this kind of work and who have sufficient experience of life and pedagogic skill and, if possible, are experienced in youth welfare work.

Placement offices for temporary work (*JOB-Zeitpersonal-Vermittlung*) procure jobs for male and female employees for periods of up to three months. In large cities, quick-service placement offices (*Servis-Vermittlung*) also provide temporary jobs, mostly to be taken up immediately, for example in ports, large market halls and trade-fairs. Temporary jobs for students are offered through special student placement offices in university towns.

People with a vocational background generally needing a wider labour market than that provided by any one employment office district, can make use of special regional and central placement offices.

## 5.3. Procedure

The procedure of placement is largely standardised and rationalised.

The placement service is based on the jobseeker's application and the employer's job offer. The placement possibilities arising from the interview with the placement officer are discussed in relation to the labour market. If needed, the applicant may, with his/her consent, be examined by the employment office doctor or psychologist. The vocational adviser and the technical adviser of the local employment office can also be consulted.

Job applications and job vacancies which comprise a whole range of characteristics are recorded on card indexes and other working aids and are filed according to vocations.

From these documents, the placement officer chooses a suitable applicant for a vacancy, or a suitable vacancy for an applicant, and makes appropriate placement proposals. Although the placement officer is committed to careful selection, placement proposals are not binding, the parties involved being free to decide whether or not they wish to conclude a contract of employment.

Evening opening hours, consultation by appointment, telephone information services and automatic telephone answering services contribute to achieve the best possible balance between supply and demand on the labour market.



#### 5.4. Computerised placement

A computerised placement system is gradually being introduced in all employment offices. Its aims include:

- intensifying and improving employment counselling and placement by computerised pre-selection of applications and vacancies at an interregional and regional level;
- gathering additional and new information on all levels by computerised processing of the stored data;
- improving work procedures and relieving placement officers in their administrative work.

#### 5.5. Interregional placement

If the labour market in a local employment office district and in its day-commuting distance does not suffice to place all jobseekers or fill all vacancies, special co-ordinating services can be brought in. These determine suitable jobseekers and vacancies in a larger region. They either establish contact between the local employment offices concerned or arrange for job demands and vacancies to be advertised in the publications of the *Bundesanstalt* for situations wanted and jobs offered.

Specialist placement services working at an interregional level are available for the placement of persons belonging to special professions which normally need a wider labour market (such as artists, hotel and restaurant personnel, sailors). The Central Placement Office in Frankfurt/Main and twenty-five regional specialist placement services are responsible for the placement of highly qualified specialists and executives.

### Chapter III: MEASURES

#### Preliminary remark

The system of the Labour Promotion Act (AFG) of the Federal Republic of Germany calls for a specific classification of measures. In this report, the AFG classification had to be changed and adapted to an agreed structure in order to ensure comparability of measures of all countries participating in the MISEP project.

As a matter of form, the measures are listed first according to the AFG classification system. The reference number given to each measure in this report is indicated in brackets. Subsequently an overview of measures is given in line with the agreed structure.

#### Classification of measures according to the system of the Labour Promotion Act

##### 1. BESCHÄFTIGUNG UND ARBEITSMARKT

###### Employment and labour market

- 1.1 Maßnahmen zur Arbeitsvermittlung und Arbeitsberatung  
Measures concerning job placement and employment counselling
  - 1.1.1. Arbeitsvermittlung  
Job placement (D-viii.1)
  - 1.1.2. Arbeitsberatung  
Employment counselling (D-viii.2)
  - 1.1.3. Verbesserung der Vermittlungsaussichten  
Improvement of placement prospects (D-viii.4)
- 1.2 Berufsberatung  
Vocational guidance (D-viii.3)
- 1.3 Maßnahmen zur Förderung der beruflichen Bildung  
Measures aimed at fostering vocational training
  - 1.3.1. Individuelle Förderung der beruflichen Ausbildung  
Support for the vocational training of individuals (D-iv.2)
  - 1.3.2. Individuelle Förderung der beruflichen Fortbildung und Umschulung  
Support for the advanced vocational training and retraining of individuals (D-iv.3)
  - 1.3.3. Institutionelle Förderung der beruflichen Bildung  
Support for vocational training institutions (D-iv.4)
  - 1.3.4. Förderung der Jugendlichen-Berufsbildung  
Fostering the vocational education of young people (D-vi.1)
- 1.4 Förderung der Arbeitsaufnahme  
Incentives to enter employment (D-iii.2)
- 1.5 Berufliche Rehabilitation  
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- 1.6 Förderung der Teilnahme an Deutsch-Sprachlehrgängen für Aussiedler, Asylberechtigte und Kontingentflüchtlinge  
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2. LEISTUNGEN DER ARBEITSLOSENVERSICHERUNG ZUR ERHALTUNG UND SCHAFFUNG VON ARBEITSPLÄTZEN

Unemployment insurance benefits for job maintenance and job creation

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Year-round employment in the building industry

2.2.1. Produktive Winterbauförderung

Promotion of winter productivity in the building industry  
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2.3 Maßnahmen zur Arbeitsbeschaffung

Job creating measures

2.3.1. Allgemeine Maßnahmen zur Arbeitsbeschaffung

General job creating measures (D-v.1)

2.3.2. Maßnahmen zur Arbeitsbeschaffung für ältere Arbeitnehmer  
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- Berufliche Ausbildung im dualen System

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- Förderung der Berufsausbildung von ausländischen Auszubildenden sowie von lernbeeinträchtigten oder sozial benachteiligten deutschen Auszubildenden  
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(D-vi.2)

- Förderung von Ausbildungsplätzen für Schwerbehinderte

Fostering the provision of training places for the severely disabled  
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## Overview

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3. Aid to the unemployed
  - Arbeitslosengeld, Arbeitslosenhilfe  
Unemployment benefit, unemployment assistance (D-iii.1)
  - Förderung der Arbeitsaufnahme  
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  - Berufliche Ausbildung im dualen System  
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  - Förderung der Arbeitsaufnahme  
Incentives to enter employment (cfr. D-iii.2)
  - Förderung der Teilnahme an Deutsch-Sprachlehrgängen für Aussiedler, Asylberechtigte und Kontingentflüchtlinge  
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5. Job creation measures
  - Förderung von allgemeinen Maßnahmen zur Arbeitsbeschaffung  
Fostering general job creating measures (D-v.1)  
Förderung von Maßnahmen zur Arbeitsbeschaffung für ältere Arbeitnehmer  
(Zuschüsse zu den Lohnkosten)  
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- Förderung der Jugendlichen-Berufsbildung  
Fostering the vocational education of young people (D-vi.1)
- Förderung der Berufsausbildung von ausländischen Auszubildenden sowie von lernbeeinträchtigten oder sozial benachteiligten deutschen Auszubildenden  
Fostering the vocational training of foreign trainees as well as of German trainees with reduced learning capacity or who are socially disadvantaged (D-vi.2)

### Disabled persons

- Förderung des Ausbildungsplatzangebots für Schwerbehinderte  
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- Berufliche Rehabilitation  
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- Förderung der Teilnahme an Deutsch-Sprachlehrgängen  
Fostering the participation in German-language courses (D-vi.5)

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- Förderung der Rückkehrbereitschaft von Ausländern  
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### 1. Overall measures to foster employment

D-1.1

Restoring a higher level of employment and reducing unemployment remain the priority aims of the Federal Government. Dynamic and self-sustaining economic growth is a prerequisite for achieving these objectives. Investments play a key role in this, for it is through increased investment that training places and jobs can be created which are needed to bring about a lasting reduction in unemployment.

The Federal Government has improved the general conditions for private investment with the:

- October 1982 emergency programme; and
- the laws accompanying the 1983 and 1984 budgets.

Consolidating the Federal budget should make a significant contribution to higher economic growth and more employment. At the same time the Federal budget is being restructured so as to ensure a higher share of expenditure for measures promoting investment and employment. The planned 3-stage tax reform, the first two steps of which have already brought in reductions in income tax, is intended to stimulate economic growth.

Organising working time so as to have a positive impact on the labour market also contributes to a higher level of employment.

The Employment Promotion Act (*Beschäftigungsförderungsgesetz*) which came into force on 1 May 1985 provides for the necessary changes in labour law and social legislation. The relaxation of rules relating to fixed-term employment contracts and the improvement of part-time work in particular are intended to open up additional employment opportunities.

Labour market policy has an important contribution to make in overcoming employment problems. Its instruments and measures do not enable it to do away with unemployment altogether, but they do improve workers' chances of reintegration and also, to a limited extent, provide temporary work opportunities.

#### **Guidelines of the Labour Promotion Act (*Arbeitsförderungsgesetz - AFG*)**

The visible transition from a compensatory to a pro-active labour market policy took place with the coming into force of the Labour Promotion Act on 1 July 1969. The labour market policy objectives of this Act are set out in its second paragraph. They lay down that the measures under the AFG must in particular contribute to:

1. ensuring that neither unemployment/underemployment nor a shortage of manpower occurs or persists;
2. securing and improving occupational mobility;
3. preventing, compensating for and overcoming effects detrimental to labour, which can arise from technical and economic structural change;

4. fostering the vocational integration of the physically and mentally handicapped;
5. overcoming a sex-related labour market and training places market and ensuring the vocational integration of and help for women who are difficult to place under the normal conditions of the labour market;
6. ensuring the vocational integration of older workers and other workers who are difficult to place under the normal conditions of the labour market;
7. improving the structure of employment according to regions and branches of industry;
8. combatting illegal employment to maintain order on the labour market.

Paragraph 3 specifies that it is the *Bundesanstalt* which carries out the labour market policy tasks governed by *AFG*.

Paragraph 5 in particular brings out clearly the preventive character of the Labour Promotion Act. It stipulates that measures aimed at placing persons in vocational training posts or jobs and measures aimed at fostering vocational training have **priority** over benefits disbursed by the unemployment insurance system for maintaining and creating jobs (such as short-time allowance (*Kurzarbeitergeld*) and measures aimed at creating employment (*Maßnahmen zur Arbeitsbeschaffung*) and compensation for the unemployed (unemployment benefit and unemployment assistance).

It is thus possible to talk of an *AFG* catalogue of measures consisting of five stages:

1. It starts off with collecting information on the present situation and in particular the future developments of the labour market seen from an overall, sectoral, regional, occupational and specific groups' point of view. Only detailed statistics enable a sufficiently differentiated overview of the labour market situation and its developments to be obtained. Furthermore, statistics constitute the prerequisite for sound labour market and occupational forecasts which in turn are among the essential bases for vocational guidance and employment counselling as well as for an efficient placement service.
2. Placement and counselling characterise the second stage. Job placement and counselling, occupational guidance and placement in vocational training posts should contribute to making the overall supply of labour sufficiently flexible and thereby foster the matching of labour supply and demand on the labour market.
3. The measures of the third stage aim at fostering vocational skills as well as occupational and sectoral - and to a lesser degree geographical - mobility, in order to try and take preventive action against imbalances on the labour market. This is achieved by means of fostering vocational training (training, further training and retraining) for individuals and promoting vocational training institutions according to *AFG*. The employment counselling services refer the person seeking advice to the support measure best suited to his/her needs. A vocational rehabilitation system has been set up for the

physically and mentally handicapped and persons threatened with such a handicap who, under the provisions of AFG, have a legal claim to employment and vocational promotion. Incentives to enter employment meet the need for ensuring adequate - including geographical - mobility. Furthermore, the enhanced participation of *Aussiedler* (resettlers, ie. Germans who have come to the Federal Republic from east European countries), *Asylberechtigte* (people having right of asylum), and *Kontingentflüchtlinge* (quota refugees) in German-language courses improves the vocational integration prospects of this target group.

The vocational AFG incentives measures are closely related with the objectives of the *Berufsbildungsgesetz* (the Vocational Training Act) and the *Bundesausbildungsförderungsgesetz* (the Federal Education Promotion Act): whereas the Federal Education Promotion Act provides a uniform regulation at the level of the Federation as regards financial assistance for education in schools and universities, the Vocational Training Act provides a uniform federal basis for vocational training within the dual system (enterprise and part-time vocational school).

4. The fourth step comprises wage compensation payments in the event of time lost due to unemployment, short-time working as well as interruptions of work due to bad weather conditions in the building industry. Unemployment benefit, unemployment assistance, short-time allowance and bad weather allowance secure subsistence in the event of full and partial unemployment.

5. The fifth step in the catalogue of measures provided for in the AFG consists of financing measures aimed at structural improvements in specific areas which are important for the labour market. In doing so, the *Bundesanstalt* does not confine itself to services which improve labour supply quantitatively or qualitatively - although this area constitutes the main focus of its activities - but it also grants aids which directly affect the demand side (eg. job creating measures, promotion of winter production in the building trade, and integration assistance subsidy (*Eingliederungsbeihilfe*) for older workers).



2. Employment maintenance measures

- Short-time allowance (D-ii.1)
- Year-round employment in the building sector  
Promotion of winter productivity in the building industry (D-ii.2)
- Year-round employment in the building sector  
Bad weather allowance (D-ii.3)

D-ii.1

### **KURZARBEITERGELD**

#### Short-time allowance

##### **Aim**

To maintain in employment workers, particularly experienced manpower, and, under certain circumstances, home workers who, because of unavoidable temporary loss of working hours, would otherwise be dismissed.

##### **Legal basis**

- \* AFG - Labour Promotion Act (25.06.69), §§ 63-73
- \* Regulation of the Governing Body of the *Bundesanstalt* on the procedure for granting short-time allowances ("*Kug-Anordnung*") of 30.06.71.

##### **Contents**

A short-time allowance is paid to workers in companies in case of loss of working hours for economic reasons (including the impact of corporate structural change) or "inevitable events" provided that the following conditions are satisfied:

- \* the *Bundesanstalt* must be notified in advance;
- \* the reduction in the volume of work must attain a significant proportion: it must affect at least one-third of the workers employed in the firm or department to the extent of over 10% of the regular and collectively agreed working time and extend over at least four consecutive weeks;
- \* the workers are liable to contributions to the *Bundesanstalt*.

Short-time allowances are usually paid for a maximum period of six months, but this can be extended up to 24 months, by Order (*Rechtsverordnung*) of the Federal Ministry of Labour and Social Affairs. The short-time allowance is determined *inter alia* on the basis of the hourly wage which the worker would normally have received and the number of working hours lost. It is equal to the proportion of unemployment benefit for the wholly unemployed.

##### **Financial resources**

##### **Institutional support**

*Bundesanstalt*

##### **Duration**

Ongoing

Effects

Short-time workers (annual averages)

1979	87.600	1984	383.700
1980	136.600	1985	234.500
1981	346.900	1986	197.400
1982	606.100	1987	278.000
1983	675.100		

D-11.2

**FÖRDERUNG DER GANZJÄHRIGEN BESCHÄFTIGUNG IN DER BAUWIRTSCHAFT  
PRODUKTIVE WINTERBAUFÖRDERUNG**

Year-round employment in the building sector

Promotion of winter productivity in the building industry

**Aim**

- \* To increase the activity of the building industry during the winter months and thus to spread the capacity of building firms over the entire year;
- \* to counteract price increases in the building sector;
- \* to maintain employment contracts in the building industry during winter months to prevent detrimental consequences for building workers as a result of unemployment.

**Legal basis**

- \* AFG - Labour Promotion Act (25.06.69) §§ 74-82
- \* Regulation of the Governing Body of the *Bundesanstalt* on the promotion of year-round employment in the building sector dated 4.07.72 as modified by the third amendment regulation of 15.03.83
- \* Regulation on winter allowance (*Wintergeld*) (25.05.87)
- \* Regulation on building trade firms in which year-round employment is to be fostered (regulation on building firms - *Baubetriebe-Verordnung*) of 28.10.80 as modified by the third amendment regulation of 24.10.84.

**Contents**

Employers in the building industry are granted **investment subsidies\*** (*Investitionskostenzuschüsse*) for the acquisition or rental of shelters for building activity in winter, heating units, water heaters, steam generators and other equipment and facilities necessary for construction work between 1 November and 31 March (bad weather period). In special cases a loan can be granted in addition to a subsidy.

A **subsidy for additional costs\*** (*Mehrkostenzuschuß*) is granted to employers in the building and construction industry as partial compensation for miscellaneous additional expenses incurred for construction work to be carried out during the period from 1 December to 31 March. Activities carried out at building sites by building firms are eligible for a subsidy provided that the building workers, the site, the building and the material are fully, partly or individually protected against weather conditions in such a way that the work can continue even under inclement weather conditions.

Building workers who are employed at a place of work which is subject to weather conditions are paid a **winter allowance** (*Wintergeld*). This is in compensation for additional costs for every hour worked during the period of 1 December to 31 March (with the exception of the period from 25 December to 1 January) provided that the general conditions for receiving the bad weather allowance (*Schlechtwettergeld*) are met.

### Financial resources

- \* Investment subsidies amount to a minimum of 30% and a maximum of 60% of a reasonable purchasing price or rental fee for the bad weather period.
- \* Subsidies for additional costs amount to between DM 1.30 and DM 4.45 per hour.
- \* The winter allowance rate is DM 2.- per hour actually worked.

### Institutional support

#### Duration

- \* According to § 238 of the Labour Promotion Act (as amended by the law of 25.07.86, *BGBI.* - Federal Law Gazette - 1986, page 1165) investment subsidies and subsidies for additional costs are not granted until 31.03.89, unless the admission of the promotion has been requested before 1.07.86.

### Effects

#### Applications granted

<u>Year</u>	<u>Investment subsidies</u>	<u>Subsidies for additional costs</u>	
		<u>Claims</u>	<u>for ... hours (000s)</u>
1978/79	10.900	45.400	33.800
1979/80	11.500	63.600	48.600
1980/81	12.400	65.900	46.700
1981/82	9.700	87.700	53.000
1982/83	8.000	106.600	62.700
1983/84	10.300	117.100	70.900
1984/85	7.100	110.400	55.100
1985/86	9.600	107.300	54.800
1986/87	1.500	3.300	2.300

D-11.3

**FÖRDERUNG DER GANZJÄHRIGEN BESCHÄFTIGUNG IN DER BAUWIRTSCHAFT  
SCHLECHTWETTERGELD**

Year-round employment in the building sector  
Bad weather allowance

**Aim**

To enable building firms which cannot give notice of dismissal on grounds of weather conditions to maintain their workforce who, because of bad weather conditions, cannot be given work during the bad weather period. The types of firms concerned are laid down by Order of the Federal Ministry of Labour and Social Affairs.

**Legal basis**

AFG - Labour Promotion Act (25.06.69) §§ 74-76, 83-89

**Contents**

During the bad weather period (1 December to 31 March) building workers can claim a bad weather allowance provided that, among other things, they have been in contributory employment when the loss of working hours began. Furthermore, the reduction in time worked must attain at least one hour per working day.

**Financial resources**

The bad weather allowance is based on the wages the worker would have been paid had the volume of work not been reduced (hourly rate) and the number of working hours lost due to bad weather conditions.

The amount of the bad weather allowance is proportional to the rate of unemployment benefit for the wholly unemployed.

**Institutional support**

The bad weather allowance is paid on application which the employer must submit to the local employment office by the end of June at the latest. As a rule, the employer calculates the amount of the bad weather allowance and pays it to the workers together with their wages. The employer is reimbursed for his expenses by the local employment office.

**Duration**

Ongoing

**Effects**

Year	Number of lost working days notified for bad weather allowance (000s)	Lost working hours for which the bad weather allowance was granted (000s)
1978/79	37.900	215.200
1979/80	23.000	116.100
1980/81	36.700	199.000
1981/82	28.600	152.400
1982/83	14.800	75.400
1983/84	17.800	88.500
1984/85	16.800	91.800
1985/86	18.400	94.400
1986/87	18.500	96.200

**3. Aid to the unemployed**

- Unemployment benefit, unemployment assistance (D-iii.1)
- Incentives to enter employment (D-iii.2)

D-iii.1

**ARBEITSLOSENGELD, ARBEITSLOSENHILFE**

Unemployment benefit, unemployment assistance

**Aim**

To secure subsistence for the unemployed person and his/her family.

**Legal basis**

AFG - Labour Promotion Act (25.06.69)

**Contents**

Payment of the respective benefit through the local employment office which is competent for the unemployed person's domicile, provided that he/she is eligible for claims.

For details see Chapter II.

**Financial resources**

Unemployment benefit is financed from contributions paid by employers and employees in equal parts.

Unemployment assistance is financed from federal funds.

**Institutional support**

Bundesanstalt

**Duration**

Ongoing

**Effects**

**Beneficiaries (annual averages) :**

Year	Total number of beneficiaries	of whom	
		unemployment benefit	unemployment assistance
1979	582.500	448.400	134.000
1980	576.000	454.300	121.600
1981	867.300	697.600	169.700
1982	1.217.100	926.400	290.700
1983	1.499.600	1.014.400	485.300
1984	1.456.900	859.000	597.800
1985	1.452.900	835.700	617.200
1986	1.401.300	800.300	601.000
1987	1.411.100	834.200	576.900



## **FÖRDERUNG DER ARBEITSAUFNAHME**

Incentives to enter employment

### **Aim**

Incentives to enter employment are intended to remove financial limitations which are obstacles to matching supply and demand on the labour market.

### **Legal basis**

- \* AFG - Labour Promotion Act (25.06.69) §§ 53, 54, 55a and 242 (3)
- \* Regulation of the Governing Body of the *Bundesanstalt (FdA-Anordnung)* of 18.12.69 in particular as modified on 28.01.1986.
- \* Directives on incentives to take up employment in the *Land* of Berlin (Berlin directives) of 31.01.1962.

### **Contents**

The following types of costs are covered:

- "*Bewerbungskosten*": costs of **applying for a job** up to 400,- DM in six months; in cases of hardship up to 800,- DM.
- "*Reisekosten*": **travel costs** incurred on the occasion of an employment counselling, an aptitude test, an interview, costs for travelling to or from a place for the purpose of taking up an out-of-town job or for taking part in a training programme of specified duration. Travel costs can also be granted for accompanying persons where this is necessary. Also covered are travel costs for an interview when this is necessary for getting a job, for taking up an out-of-town job or for taking part in a vocational training programme when a change of residence is necessary.
- "*Sammelfahrten*": **collective travel costs** for an interview or taking up a job in as far as this is considered useful for matching supply and demand on the labour market.
- "*Fahrkostenbeihilfe*": **assistance with fares** (for up to one year and, in exceptional cases, two) for daily travel between the worker's domicile and his place of work if it is difficult to place the worker under the normal conditions of the labour market.
- "*Umzugskosten*": **removal costs** for moving the household and travelling expenses for the family are covered if this is necessary for the unemployed person's conjugal community to be continued when taking up an out-of-town job.
- "*Arbeitsausrüstung*": **working clothes and tools** which the worker has normally to provide are covered up to 600,- DM for clothes and up to 1000,- for tools.
- "*Trennungsbeihilfe*": a **separation allowance** can be granted for up to two years from taking an out-of-town job.

- "Familienheimfahrten": Workers can, for one year and exceptionally two, receive money for a **monthly journey** home if daily commuting cannot reasonably be expected of the worker and thus requires family separation.

- "Überbrückungsbeihilfe": **tideover allowance** to secure subsistence for the worker and his/her family until payment of the first full wage or salary (this does not apply for someone taking up his/her first job). Up to 400,- DM per week can be granted for living expenses and up to 500,- DM for miscellaneous expenses. These are loans which can only in exceptional cases be converted into grants, for which the ceiling is 1000,- DM.

- "Leistungen zur Arbeitsaufnahme im Ausland": help for taking a **job abroad** can be granted, if this is justified from a labour market and social policy viewpoint. Expenses covered include: travel costs for the job-holder and his/her family (when taking a job outside Europe, travel costs are only covered to the German border station), removal expenses of up to 1000,- DM, a tideover allowance of up to 1000,- DM and a weekly separation allowance of 50,- DM for up to three months from the departure.

- "Sonstige Hilfen": **miscellaneous help** concerns costs incurred for buying a means of transport and other aid, loss of earnings, costs of an occupational trial period (*Arbeitserprobung*), costs of a fixed term trial employment (*befristete Probebeschäftigung*) and costs of advance payments.

**Integration assistance subsidies** (*Eingliederungsbeihilfen*) can be granted to employers who offer unemployed workers or those threatened with unemployment a suitable permanent job and sign an open-ended employment contract with them. In certain areas this covers maintaining the jobs of those who are difficult to place when the company declares itself insolvent and is taken over by another employer. As a rule, the integration assistance subsidy is granted for up to six months, but this period can be extended. Particularly difficult cases can be subsidised for up to two years. The subsidy covers up to 50% (in exceptional cases 70%) of the normal wage.

Unemployed persons having been paid unemployment benefit or unemployment assistance for at least four weeks before taking up **self-employment** can claim a **bridging allowance** (*Überbrückungsgeld*) not exceeding the rate of unemployment benefit or unemployment assistance last received for a period of up to 26 weeks; furthermore they can receive a grant towards their contributions for health and pension insurance. These benefits are designed to secure the self-employed person's subsistence and that of his/her family during the starting-up period.

#### **Financial resources**

see above

#### **Institutional support**

*Bundesanstalt*

Duration  
ongoing

Effects

Benefits granted according to AFG:  
(Number of cases)

Year	Total	of which						in addition	
		Job appli- cation costs	Travelling expenses Assistance with fares	Removal expenses	Working clo- thes & tools	Tideover allowance	Integration assistance subsidy	Miscellane- ous benefits	Incentives to take up employment in (the Land) Berlin
1979	535 000	24 700	260 900	7 600	34 800	116 500	84 100	6 400	51 600
1980	502 700	35 600	243 600	6 300	31 900	114 500	64 700	6 200	51 200
1981	440 600	40 300	252 600	4 900	21 800	90 600	26 000	4 300	42 900
1982	250 800	32 600	112 500	2 700	13 800	62 000	23 700	3 600	29 000
1983	234 100	32 500	85 500	2 600	17 600	59 400	31 200	5 300	19 500
1984	288 900	46 500	106 000	3 100	22 000	68 800	35 900	6 600	20 800
1985	360 300	59 200	139 700	4 000	26 000	80 500	42 200	8 800	24 500
1986	543 700	83 400	257 700	5 200	29 100	96 000	54 100	18 200	24 100
1987	628 100	115 500	317 200	5 700	29 000	97 600	39 800	23 300	22 100

4. Measures aimed at training, advanced training and occupational mobility

- Vocational training in the dual system (D-iv.1)
- Support for the vocational training of individuals (D-iv.2)
- Support for the advanced vocational training and retraining of individuals (D-iv.3)
- Support for vocational training institutions (D-iv.4)
- Incentives to enter employment (cfr. D-iii.2)
- Help for *Aussiedler* (resettlers), *Asylberechtigte* (persons having right of asylum) and *Kontingentflüchtlinge* (quota refugees) to take part in German-language courses (cfr. D-vi.5)

# **BERUFLICHE AUSBILDUNG IN DUALEM SYSTEM**

Vocational training in the dual system

The dual system is the core of vocational training in the Federal Republic of Germany. It is estimated that some 1.8 million youths are currently undergoing vocational training in the dual system. In 1986/87 alone, some 645 000 new training contracts were concluded.

Training takes place at two different places of learning: in the firm and in the vocational school. The legal bases are provided by the *Berufsbildungsgesetz* (Vocational Training Act) of 1.08.69, the *Berufsbildungsförderungsgesetz* (the Federal Education Promotion Act) of 23.12.81, the *Handwerksordnung* (Crafts Regulations) of 28.12.65 (and subsequent amendments) pertaining to handicrafts as well as the training regulations issued on the basis of these laws.

A special legal relationship applies to the apprentice/trainee (*Auszubildender*): the "training relationship". He/she has the status of an employee/worker (*Arbeitnehmer*) particularly as regards protection from the consequences of illness, accident and unemployment. The legal protection of the young person is governed by the *Jugendarbeitsschutzgesetz* (Protection of Young Persons (Employment) Act) or the *Berufsbildungsgesetz* (Vocational Training Act). The young person is entitled to a training allowance (*Ausbildungsvergütung*). There is no statutory minimum wage. Instead, allowances are fixed by collective agreements and increase every year. In 1987 the average collectively agreed training allowance amounted to 550,- DM; it ranged from 190,- DM per month in dressmaking to 979,- DM in mining.

Young persons may only undergo training in places suitable for training; this implies that there must be adequate equipment and sufficiently qualified training personnel. These requirements are also laid down in laws and regulations.

As a rule, training in the dual system takes three years. Some occupations require three and a half years' training (eg. electrical engineering) and there are others of only two years. At present there are 383 recognised occupations for which formal training is required.

The training which is provided in the firm and in the vocational school is often supplemented by courses in intercompany (*überbetrieblich*) training centres lasting for several weeks (eg. to become familiarised with new technologies). The initial vocational training year can also be provided in the form of the basic vocational training year (*Berufsgrundbildungsjahr*) which starts by offering broad basic education for related occupations (eg. in business and administration, metal working, electrical engineering, building, woodworking, etc.).

## Guidelines of the vocational training policy of the Federal Republic of Germany

The present Federal Government stresses the equal value of vocational training and school education. It supports **upgrading** practical vocational training with **free access** to the dual system playing a major role in this respect. Access is thus free for any person having completed the general education school system or the vocational education school system. No formal access requirements have to be satisfied; but the different qualification requirements result in fact in a selection process.

Securing a balanced supply of training places in sufficient numbers constitutes the **prime objective** of the vocational training policy of the Federal Republic of Germany. Thus, in 1987 there was a significant overall improvement over the previous years in the situation on the market for training places; up to 30 September 1987 there were 679.700 applicants for a training place and 690.300 training places were on offer. However, there continued to be considerable vocational and regional imbalances. As at 30 September 33.800 young people were registered at the local employment offices as not yet placed; two thirds of these were girls. The main measures taken to help to place these young people were:

- encouraging industry to fill a training place again on completion of the previous training period and refilling training places as they are vacated;
- increased efforts by the *Länder* to help provide full-time training programmes in schools;
- schemes of the *Länder* to help provide additional training places outside schools;
- vocational preparation programmes of the *Bundesanstalt* (cfr. D-vi.1)

In principle it is up to work organisations (firms and administration) to provide a sufficient supply of training places. The government can only support or provide supplementary assistance for these efforts. Thus it continuously brings **political influence** to bear on business to increase the supply of training places by having top level discussions with the employers' and trade unions' organisations and by reviewing training regulations.

Apart from the previously mentioned federal programmes, the *Länder* efforts are of great importance. These have focused on:

- special programmes to promote in-company training, for example for girls and underprivileged youths; for trainees in firms which go bankrupt; etc.;
- increasing the capacity of schools to provide vocational training;
- fostering special forms of co-operation in the area of training and promoting sponsorships aimed at improving the situation of training places at local and regional levels.

**INDIVIDUELLE FÖRDERUNG DER BERUFLICHEN AUSBILDUNG**

Support for the vocational training of individuals

**Aim**

Through this measure the *Bundesanstalt* helps overcome economic difficulties which are obstacles to an adequate vocational qualification by granting trainees an allowance for basic vocational training.

**Legal basis**

- \* AFG - Labour Promotion Act (25.06.69)
- \* Regulation of the Governing Body of the *Bundesanstalt* (31.10.69) on support for the vocational training of individuals.

**Contents**

An allowance for basic vocational training (*Berufsausbildungsbeihilfe*) is granted to young people and adults for initial vocational training in companies or in intercompany (*überbetrieblich*) training centres as well as for participating in vocational preparation courses.

**Financial resources**

As a rule, the allowance is given in the form of a grant which takes into consideration the trainee's living and training expenses as well as his/her income (his/her own income and that of the spouse or parents).

**Institutional support**

*Bundesanstalt*

**Duration**

Ongoing

**Effects**

Beneficiaries of an allowance for basic vocational training (annual averages)

1981	98.600
1982	88.000
1983	81.500
1984	70.300
1985	75.700
1986	78.300
1987	81.600

D-iv.3

# **INDIVIDUELLE FÖRDERUNG DER BERUFLICHEN FORTBILDUNG UND UMSCHULUNG**

Support for the advanced vocational training and retraining of individuals

## **Aim**

- \* to ensure or improve occupational flexibility;
- \* to encourage career advancement;
- \* to prevent or end skill shortages;
- \* to prevent or overcome unemployment as well as qualitative and quantitative underemployment.

## **Legal basis**

- \* AFG - Labour Promotion Act (25.06.69)
- \* Regulation of the Governing Body of the *Bundesanstalt* on the support for the advanced vocational training and retraining of individuals

## **Contents**

Advanced vocational training includes measures by which vocational knowledge and skill are assessed, maintained and extended or adapted to technical development, or which offer opportunities for career advancement.

Vocational retraining makes a necessary vocational re-orientation possible.

These measures require the individual to have completed his vocational training or have adequate vocational experience, or both.

## **Financial resources**

Participants in full-time courses are paid a subsistence allowance (*Unterhaltsgeld*) if the conditions of entitlement are satisfied. Under certain conditions a subsistence allowance can also be granted to persons who, because of working part-time or for instance because of looking after children needing supervision, only take part in a part-time course starting before 31.12.89.

To qualify, the person must have been in contributory employment for a minimum length of time during a reference period.

The subsistence allowance amounts to 73% for participants having at least one dependent child or a spouse needing to be nursed, otherwise 65% of wages after legal deductions (taxes and social security contributions). The subsistence allowance for participation in a part-time scheme is based on half of the aforementioned wages. A prerequisite condition is in all cases that the training measure is "necessary".

In cases where the person cannot provide evidence of the required contributory employment or any circumstances which are treated as equivalent and where participation in the training scheme is essential for ending unemployment, a subsistence allowance will be paid at the rate of unemployment benefit or unemployment assistance which the person received prior to the beginning of the training scheme.



A subsistence allowance of 58% of the reference wages is granted as a loan in cases where participation in the training scheme is only "expedient" and where the participant cannot be expected to take part in an equivalent training measure whilst being at work.

The *Bundesanstalt* shoulders part or all of the necessary expenses incurred through the training scheme, including registration fees, costs of books and equipment, fares, the cost of working clothes, sickness and accident insurance contributions, the cost of lodging and additional cost for board, provided that the necessary participation in the course makes accommodation away from the domicile inevitable, and in certain cases the cost of child care of up to 60,- DM per month.

A subsidy for a "settling-in" training period (*Einarbeitungszuschuß*) can be granted to employers who, as part of an employment relationship, provide workers/employees, having been unemployed or directly threatened with unemployment before the commencement of the "settling-in" training period, with the knowledge and skills which they need so as to reach full proficiency in their job. Until 31 December 1989 a subsidy for a "settling-in" training period can also be granted if the employer concludes a fixed term contract with the worker/employee. A subsidy may not be granted if the "settling-in" training takes place at the employer's who has previously been employing the person or if it has been brought about by restructuring, rationalisation or other measures covered by, for instance, an agreement protecting the worker/employee against the effects of rationalisation, or a social plan. The rate of the subsidy and its length of payment depend on the difference between the current skill level of the employee to be given a "settling-in" training period and that required by the job in question.

**Institutional support**  
*Bundesanstalt*

**Duration**  
Ongoing

# Effects

Entries to advanced vocational training and retraining schemes as well as to "settling-in" training periods (measures for improving placement prospects not being taken into consideration); and beneficiaries of a subsistence allowance (annual averages):

Year	Total	Entries of which			Beneficiaries * of subsistence allowances (annual average)
		Advanced training	retraining	"settling-in" training	
1979	209 500	149 800	30 900	28 800	73 500
1980	232 900	162 400	37 900	32 600	89 300
1981	255 000	190 300	47 500	17 300	114 000
1982	242 200	188 600	42 100	11 500	122 600
1983	282 300	219 900	42 300	20 100	107 800
1984	322 700	260 300	43 100	19 300	110 600
1985	371 000	298 200	45 100	27 700	114 900
1986	477 800	373 800	59 100	44 900	132 800
1987	533 600	419 900	64 500	49 200	162 000

\* including measures for improving placement prospects and measures to promote proficiency in the German language.

**INSTITUTIONELLE FÖRDERUNG DER BERUFLICHEN BILDUNG**

Support for vocational training institutions

**Aim**

To provide an adequate supply of training institutions able to satisfy the requirements of the labour market and of the professions.

To improve the employment structure of individual branches and areas of the economy.

**Legal basis**

\* AFG - Labour Promotion Act (25.06.69)

\* Regulation of the Governing Body of the *Bundesanstalt* on institutional support (31.10.69).

**Contents**

Public training, advanced training and retraining utilities can qualify for financial help.

**Financial resources**

Financial help (grants and loans) for investments in buildings and equipment should not normally exceed 50% of the total costs. If a grant-in-aid is exceptionally given for a building investment, it should not exceed 30% of the total costs. Loans pay an annual interest rate of 2%.

**Institutional support**

Subject to restrictions by the Governing Body of the *Bundesanstalt*.

**Duration**

Ongoing

**Effects**

Identical to "aims" listed above.

5. Job creation measures

- Fostering general job creating measures (ABM) (D-v.1)
- Fostering measures designed to create jobs for older workers (wage cost subsidies) (D-v.2)

## **FÖRDERUNG VON ALLGEMEINEN MASSNAHMEN ZUR ARBEITSBESCHAFFUNG (ABM)**

Fostering general job creating measures (ABM)

### **Aim**

To create jobs for difficult-to-place unemployed persons, in particular for: the long-term unemployed, older workers from the age of 50, younger unemployed persons up to 25 years of age who have not completed vocational training, and the severely disabled.

### **Legal basis**

\* AFG - Labour Promotion Act (25.06.69) §§ 91-96

\* Regulation of the Governing Body of the *Bundesanstalt* (ABM-Anordnung) of 13.12.84.

### **Contents**

Priority is given to projects which are likely to:

1. create the necessary conditions for providing the unemployed with a permanent job, or
2. prepare, facilitate or complete measures for structural improvements, or
3. provide work opportunities for the long-term unemployed, or
4. improve the social infrastructure or serve the conservation or improvement of the environment.

The projects to be supported must be in the public interest and must be "additional" meaning that without the support they would not at all have been carried out or only at a later date. Furthermore, according to the situation of the labour market and its development the support must be "of use".

### **Financial resources**

The programmes are supported through subsidies and loans granted to public or private bodies. As a rule, the subsidy amounts to between 60% and 80% of the remuneration. Additional loans can be granted for measures which are of particular importance to the labour market.

To increase support, the *Bundesanstalt* can - under § 96 AFG - make available additional funds for loans and subsidies, provided that the *Land* also contributes accordingly.

### **Institutional support**

The *Bundesanstalt* is in charge of implementing ABM.

### **Duration of support**

As a rule support is given for one year, but it can be of, or extended to, up to two years for labour market policy and social policy reasons. Support can be extended beyond two years for the creation of permanent jobs.

### Effects

A study carried out by the Institute for Labour Market and Vocational Research (IAB) shows that just under half (45%) of the leavers of ABM go straight or in the foreseeable future into non-subsidised jobs.

#### General job creating measures (annual averages)

<u>Year</u>	<u>Persons employed in ABM</u> (annual averages)
1979	51.192
1980	41.251
1981	38.461
1982	29.189
1983	44.680
1984	70.983
1985	87.026
1986	102.372
1987	114.699

D-v.2

**FÖRDERUNG VON MASSNAHMEN ZUR ARBEITSBESCHAFFUNG FÜR ÄLTERE ARBEITNEHMER  
(ZUSCHÜSSE ZU DEN LOHNKOSTEN)**

Fostering measures designed to create jobs for older workers  
(Wage cost subsidies)

**Aim**

To improve the prospects for the vocational re-integration of older unemployed persons who are difficult to place.

**Legal basis**

- \* AFG - Labour Promotion Act §§ 97, 99
- \* Regulation of the Governing Body of the *Bundesanstalt* on measures designed to create jobs for older workers (regulation according to § 99 AFG).

**Contents/Eligibility conditions/Financing**

To be eligible under the scheme the worker has to be employed in an additional job. However, the prerequisite conditions as for *ABM* do not apply: the works carried out need neither benefit the community nor be additional (cfr. D-v.1).

To aid their re-integration, older difficult-to-place unemployed persons aged 50 years or over, who have been registered as unemployed with the employment office for over 1 year, are to be employed in additional jobs by private employers for a period of 5 years or by public bodies for 3 years. As a rule, the subsidy amounts to 50%; for private employers it covers up to 70% and for public bodies up to 60% of wage costs in the first year, being reduced by 10% each year.

For persons aged 50 years or over who have been unemployed for more than 18 months, the subsidy can cover up to 70% of wage costs irrespective of the employer's legal status. There is no reduction in the rate of the subsidy; it can be granted for up to 8 years.

Irrespective of their legal status, employers can claim a 75% subsidy of wage costs for workers over 50 years of age who have been unemployed for over 24 months. There is no reduction in the rate of the subsidy; it can be granted for up to 8 years.

**Institutional support**

*Bundesanstalt*

**Effects**

Year	New claims <u>accepted</u>	Stock of subsidised <u>persons at end of year</u>	Expenditure <u>(000 DM)</u>
1983	1.331	3.581	50.512
1984	1.034	3.788	40.093
1985	1.792	3.135	39.176
1986	5.503	6.862	80.580
1987	8.344	12.085	164.524

6. Measures in favour of special categories of people

- Fostering the vocational education of young people (D-vi.1)
- Fostering the vocational training of foreign trainees as well as of German trainees with reduced learning capacity or who are socially disadvantaged (D-vi.2)
- Fostering the provision of training places for the severely disabled (D-vi.3)
- Vocational rehabilitation (D-vi.4)
- Fostering the participation of resettlers, persons having right of asylum and quota refugees in German-language courses (D-vi.5)
- Fostering the willingness of foreign workers to be repatriated (D-vi.6)



## **FÖRDERUNG DER JUGENDLICHEN-BERUFSBILDUNG**

Fostering the vocational education of young people

### **Aim**

To facilitate the integration of various groups of hard-to-place young people in the labour market.

### **Legal basis**

- \* AFG - Labour Promotion Act (25.06.69)
- \* Law on educational grants (*Bildungsbeihilfengesetz*) of 24.05.84
- \* Regulation of the Governing Body of the *Bundesanstalt* (31.10.69) on the support of the basic vocational training of individuals (and subsequent amendments)
- \* Regulation of the Governing Body of the *Bundesanstalt* on employment and career promotion of the disabled (31.07.75) (and subsequent amendments).

### **Contents**

The following measures have been developed:

1. preparatory courses for obtaining the lower secondary leaving certificate (*Hauptschulabschluß*);
2. general education courses to reduce educational deficits or to enhance knowledge especially of German and mathematics;
3. basic training courses for unemployed youths who, for various reasons, do not have access to vocational training;
4. combination of measures 1-3;
5. basic training courses for preparing the occupational choice of candidates when an immediate transition to in-plant training or vocational training in an intercompany (*überbetrieblich*) training centre is not possible;
6. supportive courses for school-leavers who lack vocational maturity in order to provide them with the special aids they need to be able to start vocational training or take up a job;
7. information and motivation courses for juveniles and young adults who run the risk of losing contact or have already lost contact with working life;
8. measures relating to entry procedures and work training in sheltered workshops;
9. miscellaneous measures for the disabled to prepare them for subsequent vocational training.

### **Financial resources**

- \* *Bundesanstalt*
- \* Federal Government (educational grants limited to 31 December 1984)

### Institutional support

Various bodies on behalf of the *Bundesanstalt*

### Duration

The measures last up to one year; those for the disabled range from 20 days to 2 years.

### Effects

Completed vocational preparation measures

in the area of  
vocational guidance  
counselling

job placement/employment

	courses	participants	courses	participants
1983/84	877	43.100	1.534	26.500
1984/85	988	41.800	1.827	33.600
1985/86	1.088	43.900	2.170	39.100
1986/87	1.082	43.700	2.230	41.900

**FÖRDERUNG DER BERUFSAUSBILDUNG VON AUSLÄNDISCHEN AUSZUBILDENDEN  
SOWIE VON LERNBEEINTRÄCHTIGTEN ODER SOZIAL BENACHTEILIGTEN  
DEUTSCHEN AUSZUBILDENDEN**

Fostering the vocational training of foreign trainees as well as of German trainees with reduced learning capacity or who are socially disadvantaged

**Target group**

Foreign trainees as well as German trainees with reduced learning capacity or who are socially disadvantaged and who, after having participated in a vocational preparation course, cannot be placed without further supportive measures in a training place for one of the recognised occupations.

**Measures**

Aids accompanying training are provided to support in-plant training in as far as these aids go beyond the usual company or normal training measures. They comprise remedial tuition to reduce language or educational deficits and to foster the learning of technical skills in practice and theory. They also include educational support needed for ensuring successful outcomes of training.

Previous participation in a vocational preparation course is not essential for granting aids accompanying training if it is not required for the successful outcome of the training.

Vocational training in an intercompany (überbetrieblich) training centre is provided for cases where placement in a training place is not possible even with aids accompanying training. Training, remedial tuition, and educational support together constitute the components of the measure overall. After the first year of vocational training, efforts should be made to transfer the training place to in-plant.

**Financial help**

The requisite personnel costs, a subsidy towards material costs and a training allowance subsidy are provided (the last only in the case of aids accompanying training if the aids are provided during the normal working hours).

**Number of cases supported**

Some 37.000

**Financial resources**

Federal funds	1983:	124m DM
	1984:	168m DM
	1985:	256m DM
	1986:	335m DM
	1987:	390m DM
Bundesanstalt funds	1988:	430m DM

**FÖRDERUNG DES AUSBILDUNGSPLATZANGEBOTS FÜR SCHWERBEHINDERTE**

Fostering the provision of training places for the severely disabled

**Aim**

Under the Disabled Persons Act the *Bundesanstalt* has been receiving money since 1.07.86 from the Ministry of Labour and Social Affairs' Compensation Fund (*Ausgleichsfonds*) which collects a compensatory levy (*Ausgleichsabgabe*) from employers failing to meet their statutory quota for the employment of disabled people. The *Bundesanstalt* uses the funds by giving grants to employers among other things for taking on disabled persons for training.

**Target group**

Young disabled persons without a training place

**Contents**

Full-time in-company training

**Financial help**

Grants-in-aid for employers covering up to 80% of the training allowance, in exceptional cases (needing justification) up to 100%.

**Financial resources**

Annually according to needs, so far adequate.

**Effects**

1.07.86 - 31.12.87          616 grant-aided trainees

## **BERUFLICHE REHABILITATION**

### Vocational rehabilitation

#### **Aim**

Vocational rehabilitation assists physically or mentally disabled persons to retain their jobs or helps them to become permanently integrated at work and in society.

#### **Legal basis**

- \* AFG - Arbeitsförderungsgesetz (25.06.69) §§ 56-62
- \* Act on adjusting financial help for rehabilitation (7.08.74)
- \* Regulation of the Governing Body of the *Bundesanstalt* on work and employment promotion of the disabled (31.07.75) and subsequent amendments.

#### **Contents**

In the context of individual support the *Bundesanstalt* - which is the payment body in over 80% of the rehabilitation cases - grants the vocational rehabilitation assisting aids which are required to retain, improve, establish or recover the earning capacity of the physically or mentally disabled persons in accordance with their faculties and to permanently integrate them into working life. In so doing, the disabled person's aptitude, bent and previous vocational activity have to be taken into consideration.

The *Bundesanstalt* has to advance funds if the immediate introduction of the requisite measures is jeopardised because the question of competence has not been clarified or for any other reasons. If another body is responsible, the *Bundesanstalt* has to propose the requisite measure so as to guarantee the optimal success of rehabilitation in line with the conditions of the labour market.

The promotion of training institutions for vocational rehabilitation through the *Bundesanstalt* ensures:

- \* the availability of a sufficient number of centres for vocational rehabilitation in line with the requirements of the labour market. These institutions include vocational training centres, institutions for the promotion of vocational training, centres for medical-vocational rehabilitation and sheltered workshops;
- \* the training and further training of a sufficient number of rehabilitation officers.

#### **Financial resources**

In as far as no other body is competent, the *Bundesanstalt* covers for the individual:

- \* costs incurred in connection with vocational rehabilitation (including subsistence costs for the disabled and his/her family);
- \* financial help to retain or secure a workplace adapted to the needs of the disabled person.

# Duration

Until the disabled person is permanently integrated in working life.

# Effects

Year	Persons under- going rehabi- litation	Persons under- going rehabi- litation in vocational promotion measures at end of year	Completed rehabili- tation cases in the course of the year	Beneficiaries of a training allowance annual averages	Beneficiaries of a transi- tional allowance
1979					3,900
1980					9,600
1981	227,900	71,400	109,500	29,800	16,000
1982	250,900	72,900	139,000	31,500	21,500
1983	272,900	77,700	147,300	34,300	23,100
1984	277,100	78,700	163,200	35,100	21,200
1985	289,600	83,500	172,400	37,900	20,100
1986	308,000	89,500	182,100	39,900	21,900
1987	338,700	94,700	190,400	42,000	26,900

**FÖRDERUNG DER TEILNAHME AN DEUTSCH-SPRACHLEHRGÄNGEN FÜR  
AUSSIEDLER, ASYLBERECHTIGTE UND KONTINGENTFLÜCHTLINGE**

Fostering the participation of resettlers, persons having right of asylum and quota refugees in German-language courses

**Aim**

To assist the complete vocational and social integration of *Aussiedler* (resettlers, i.e. Germans who have come to the Federal Republic from east European countries), *Asylberechtigte* (persons having right of asylum), persons having received from the Federal government a one-off tideover aid and *Kontingentflüchtlinge* (quota refugees) by fostering their participation in German-language courses.

**Legal basis**

AFG - Labour Promotion Act, §§ 62a-62d

**Contents**

The above mentioned target groups receive financial help when participating in German-language courses which will provide them with the proficiency of the written and spoken German language they need for taking up a job or for personal reasons.

**Financial resources**

Participants in a full-time German-language course receive a subsistence allowance provided that

- \* they had been in gainful employment in their country of origin for at least 10 weeks during the 12 months prior to leaving the country;
- \* they intend after completion of the course to take up gainful employment which does not serve a vocational training purpose;
- \* they do not have the required knowledge of the German language.

Under certain conditions, exceptions are possible. Course participants receive the subsistence allowance for up to 10 months. For *Aussiedler* and persons having received the tideover aid the subsistence allowance amounts to 63% and for *Asylberechtigte* and *Kontingentflüchtlinge* to 58% of the average wage after legal deductions (taxes and social security contributions) of all unemployment benefit recipients at a given date.

The *Bundesanstalt* covers all or part of the requisite costs incurred by participation in the German-language course, including in particular course fees, costs for books and equipment, fares, health and accident insurance contributions, costs for lodging and additional costs incurred for board, when participation in the course is necessary and requires out-of-town accommodation, as well as child care expenses in certain cases of up to 60,- DM per month.

For participants who do not satisfy these conditions and who are not entitled either to benefit under the General Administrative Regulations of the Federal Minister for Youth, Family and Health concerning assistance for the integration of young resettlers, young immigrants

from the GDR and (East) Berlin, and young refugees - the so-called guarantee fund - the *Bundesanstalt* reimburses institutions organising German-language courses for the necessary expenses which they directly incur through carrying out the courses and providing the participants with books and equipment. The course participants are reimbursed for the necessary fares incurred.

**Institutional support**

*Bundesanstalt*

**Duration**

From 1.01.88 ongoing

**Effects**

There are no results yet, since the scheme has only been assisted by *Bundestanstalt* funds since 1.01.88.



## **FÖRDERUNG DER RÜCKKEHRBEREITSCHAFT VON AUSLÄNDERN**

Fostering the willingness of foreign workers to be repatriated

### **Aim**

To make available temporary aids to foreigners, particularly workers from former recruitment countries, who are permanently returning to their country of origin.

### **Legal basis**

- \* Law to foster the willingness of foreigners to be repatriated (*Gesetz zur Förderung der Rückkehrbereitschaft von Ausländern*) of 28.11.1983 (Federal Law Gazette I page 1377)
- \* Law on resettlement assistance for housebuilding (*Gesetz über eine Wiedereingliederungshilfe im Wohnungsbau*) for returning foreigners of 18.2.1986 (Federal Law Gazette I page 280)

### **Contents**

The main aids under the Law to foster the willingness to be repatriated which came into force on 1.12.83 had a ten-month time limit:

- \* A repatriation allowance (*Rückkehrhilfe*) of 10.500,- DM plus an additional 1.500,- DM for each returning dependent child was granted to foreign workers who returned with their families to their country of origin, after having become unemployed because of company closure or bankruptcy or having been on short-time working for six months.
- \* reimbursement of foreign workers from specific recruitment countries (in particular Turkey and Portugal) for their contributions to the statutory pension insurance without waiting period who decided to return to their country for good.

The following measures of the repatriation promotion law continue in force:

- \* premature availability of savings under the state-bonus savings scheme without forfeiting any advantages (bonus, tax advantages),
- \* redemption of pension expectancies (*Anwartschaften*) under company superannuation schemes including the complementary retirement pension of the public service if the employee has been reimbursed for his contributions to the statutory pension insurance
- \* Aids assisting reintegration (*Wiedereingliederungshilfen*)
  - The repatriation promotion law also provides for a counselling service to give advice on the general conditions of repatriation, on possibilities for vocational integration and on becoming self-employed or setting up a new business.
  - To assist the integration of the children of repatriates the Federal Republic of Germany sends up to 80 teachers to Turkish schools.

- In the context of a pilot project the FRG currently supports the skill training of young Turks for the hotel and catering industry for whom jobs will be available on their return to Turkey. In another 3-month pilot project unemployed Turks are being trained in butchery and meat-processing trades.

The Federal Government has made available 12 million DM for a "skilled workers fund" (*Fachkräftefonds*). The intention is to motivate skilled workers from developing countries to return to their country of origin in order to remedy skill shortages in middle management. During the first two years after their return they receive an allowance to top up their salary.

The advisory service (*Rückkehrberatung*) for returning foreign workers is provided in particular by more than 60 main employment offices and some 900 social advisers. Their activity is based on a 2-volume handbook for repatriation advisers which is permanently updated; in addition to general information on repatriation conditions, it contains specific information on Turkey, Yugoslavia, Spain and Portugal.

On 1.01.86 the Law on Resettlement Assistance in Housebuilding (*Gesetz über eine Wiedereingliederungshilfe im Wohnungsbau*) for returning foreigners came into force. Under the provisions of this law, foreigners from non-EC recruitment countries (Yugoslavia, Korea, Morocco, Turkey and Tunisia) can make use of savings agreements for building purposes concluded with building societies in the Federal Republic for building or purchasing their own home in their country of origin.

- The amount of the savings agreement for building purposes can be used without forfeiting any tax or premium concessions;
- it is limited to 60.000,- DM according to the average building costs in these countries;
- a condition for making use of the amount of a savings agreement for building purposes in the foreign worker's country of origin is that the payment of the amount of the savings agreement or of a loan for interim financing be started by 31.12.93;
- according to the objectives of the resettlement assistance, the loan under the savings agreement for building purposes will only be paid to those foreigners who commit themselves to returning to their home country within four years from the commencement of the payment of the amount of the savings agreement. Persons who fail to comply with this obligation have to pay back the loan, the interest advantage and the savings subsidy.

The law can be implemented as soon as the building societies have made the necessary arrangements with the countries in question as regards insuring against credit, currency and transfer risks. Such a regulation has already been made with Turkey.

**Institutional support**

*Bundesanstalt*

Pension insurance funds

Building societies

Social advisory services of social welfare institutions

**Effects**

It is estimated that as a consequence of the Repatriation Assistance Law (*Rückkehrhilfegesetz*) more than 250.000 foreigners left the Federal Republic of Germany of their own free will to return to their country of origin. Some 17.000 unemployed foreigners had applied for the repatriation allowance of whom 13.700 satisfied the conditions. At the same time 156.000 foreigners had their contributions to the pension insurance refunded to them - most of the applications could also be attributed to the repatriation promotion law.

## 7. Measures on working time

D-vii.1

### VORRUHESTANDSLEISTUNGEN

#### Early retirement benefits

##### Aim

To improve the employment prospects particularly of the age groups corresponding to a high birth rate, by enabling older workers/employees to retire early from working life.

##### Legal basis

Law to encourage the provision of early retirement benefits (*Gesetz zur Förderung von Vorruhestandsleistungen*), abbreviated to *Vorruhestandsgesetz - VRG* (Early retirement law)

##### Contents

The *Bundesanstalt* grants subsidies to employers towards the cost of providing early retirement pensions to employees who have completed their 58th year of age and have terminated gainful employment. Entitlement to the grant requires that

- \* the employer, under the terms of a collective agreement, or an agreement with the employee, pays the employee who leaves voluntarily an early retirement pension amounting to at least 65% of the gross remuneration averaged by the retiring employee over the last six months, and

- \* hires, as replacement for the retiring employee, a person on the unemployment register or a person treated as equivalent.

The rate of the subsidy is 35% (or 34%, if the claim to early retirement benefit in the event of suspension of payments by the employer is not secured by a collective agreement), calculated on the basis of 65% of the above mentioned gross earnings. Where in the event of suspension of payments by the employer (due to bankruptcy for instance) the collective agreement does not guarantee the payment of the early retirement pension by an employers' Compensation Fund (*Ausgleichskasse*) or by an institution jointly run by the parties to the collective agreement, the *Bundesanstalt*, in case of suspension of payments, pays out early retirement pensions like an employer (§ 9 section 1 *VRG*). The subsidy towards the payment of early retirement pensions and the early retirement pension payment made in accordance with the provisions of § 9 section 1 are granted on application. The application must be made in writing at the appropriate employment office.

##### Financial resources

See above

##### Institutional support

See above

### Duration

The scheme is due to expire on 31 December 1988. Only workers who will be 58 years of age in the years 1984 to 1988 or who are already older can benefit by the scheme.

### Effects

Between May 1984 and December 1987 a total of over 73.313 applications was dealt with requesting recognition of the prerequisite conditions for claiming subsidies towards the payment of early retirement pensions.

In 1987 the *Bundesanstalt* granted subsidies of some 397,5m DM towards the employers' early retirement benefit payments (total expenditure 1986: some 287m DM).

According to information received from the Complementary Pension Fund (*Zusatzversorgungskasse*) of the building sector, by December 1987 55.619 applications had been received requesting recognition of the prerequisite conditions as regards collective agreements for the granting of the early retirement pension payment. Of these, 50.001 had been dealt with. At the end of December the Complementary Pension Fund had received 50.396 applications from employers for reimbursement of early retirement benefits, of which 49.736 had been granted.

According to the statistics of the health insurance funds, a total of 87.456 recipients of an early retirement pension were registered with them at the end of December 1987.

8. Placement measures

- Job placement (D-viii.1)
- Employment counselling (D-viii.2)
- Vocational guidance (D-viii.3)
- Measures to improve the placement prospects of the unemployed (D-viii.4)

## **ARBEITSVERMITTLUNG**

### **Job placement**

#### **Aim**

Job placement has the task of bringing together jobseekers and employers with a view to establishing an employment relationship, taking account of the specific requirements of the vacancies and the aptitudes of the jobseekers and their personal circumstances.

#### **Legal basis**

§§ 13-24 AFG - Labour Promotion Act (25.06.69).

#### **Contents**

Job placement may only be undertaken by the *Bundesanstalt's* services. In exceptional cases, the *Bundesanstalt* can commission institutions or individuals to carry out placement activities for individual occupations or groups of persons, if this is useful for the placement operation.

The *Bundesanstalt's* job placement service is impartial and free of charge. Everyone is entitled to make voluntarily use of it. There is no obligation to notify job vacancies.

#### **Financial resources**

As needed for an individual counselling service.

#### **Institutional support**

All agencies of the *Bundesanstalt* have job placement services. On 1.12.87 there were altogether 629 agencies, including 146 local employment offices and 483 branch offices. The placement service is, as a matter of principle, structured according to professions - making no distinction of sex. The basic organisational unit is the occupational field. The *Bundesanstalt* has regional and central specialised placement agencies for qualified job applicants who belong to professions which are generally dependent on a larger labour market. Severely disabled people are taken care of by a special service. Specially qualified placement officers are entrusted with the placement of young people who do not aspire to vocational training.

The placement offices for temporary work, known under the designation of "JOB" for commercial activities and "servis" for industrial occupations, provide temporary work contracts for periods up to 3 months. Institutions and individuals commissioned by the *Bundesanstalt* carry out placement operations for individual occupations or groups of persons.

#### **Duration**

Ongoing

Effects (000s)

Year	Inflow of			Placements	
	Jobseekers	Unemployed	Vacancies	Total	of which in employment of < 7 calendar days
1979	3 752	2 844	1 980	2 111	1 262
1980	4 016	3 084	1 709	1 905	1 122
1981	4 468	3 531	1 355	1 622	962
1982	4 551	3 707	1 124	1 395	841
1983	4 507	3 704	1 248	1 557	980
1984	4 576	3 673	1 403	1 754	1 101
1985	4 681	3 750	1 553	1 876	1 178
1986	4 619	3 637	1 841	1 965	1 275
1987	4 684	3 726	1 823	1 998	1 281



## **ARBEITSBERATUNG**

### **Employment counselling**

#### **Aim**

Employment counselling provides employees and employers with information on the current situation and future developments of the labour market as well as on specific services and benefits such as counselling on further training and retraining and on incentives to enter employment. The prime purpose of employment counselling is not to counsel and aid persons choosing their first profession or changing professions, but rather to advise both employees and employers throughout working life, if they wish to avail themselves of the service.

#### **Legal basis**

§ 15 AFG - Labour Promotion Act (25.06.69)

#### **Contents**

The task of employment counselling is to inform employees and employers - whether or not they are looking for placement - of the labour market situation, trends in professions and trades, the necessity and possibilities of vocational training and training incentives as well as of incentives to enter employment. Employment counselling also advises on how to choose a job or to fill a vacancy. Employment counselling does not provide in-depth consultancy, in particular concerning questions of labour law.

#### **Financial resources**

As needed for an individual guidance service.

#### **Institutional support**

Employment counselling exists in all local employment and branch offices. The *Bundesanstalt* has regional and central specialised placement agencies for qualified applicants from professions which generally have to rely on a wider labour market. In the context of employment counselling, specialist counselling services can be brought in; these are in particular the medical service, the psychological service and the technical advisory service of the *Bundesanstalt*. The adviser responsible will decide if and when one of these special guidance services is to be called in; he needs, however, the consent of the person seeking counsel.

#### **Duration**

Ongoing

#### **Effects**

Inflow of persons seeking employment counselling (000s)

1979	1.263	1983	2.469
1980	1.452	1984	3.189
1981	1.677	1985	3.500
1982	1.937	1986	3.818

Since May 1987 employment counselling is no longer indicated separately.

## **BERUFSBERATUNG**

### Vocational guidance

#### **Aim**

Vocational guidance aims at ensuring the individual's free choice of a career and at bringing out those factors influencing the decision-making process. To this end, it provides information, orientation and guidance aids in order to enable the individual to take up an occupation which is both optimal for himself/herself and the employment system.

#### **Legal basis**

AFG - Labour Promotion Act (25.06.69) §§ 25-32

#### **Contents**

Vocational guidance takes account both of the individual's qualifications and demands and the economic interests of society. The *Bundesanstalt's* vocational guidance service is impartial and free of charge. Every person has the right to use vocational guidance and does it on his/her own discretion. Emphasis is placed on personal contact.

#### **Financial resources**

Vocational guidance is financed by means of contributions from employers and employees.

#### **Institutional support**

A vocational guidance section exists in every local employment office and nearly one third of the branch offices are permanently staffed with vocational advisers. These advisers are experts who have undergone special training, in particular in the field of vocational and business administration, psychology and learning. Specially trained career advisers are responsible for the guidance of *Abiturienten* (persons holding an upper secondary leaving certificate) and university students as well as of disabled persons.

#### **Duration**

Ongoing

#### **Effects**

Number of persons seeking vocational guidance (in thousands)			
1978/79	1.128	1982/83	1.364
1979/80	1.149	1983/84	1.392
1980/81	1.176	1984/85	1.384
1981/82	1.292	1985/86	1.431
		1986/87	1.371

D-viii.4

**MASSNAHMEN ZUR VERBESSERUNG DER VERMITTLUNGSAUSSICHTEN FÜR ARBEITSLOSE**

Measures to improve the placement prospects of the unemployed

**Aim**

To inform the unemployed about issues concerning the choice of jobs and about vocational training opportunities.

To contribute to maintaining or improving the ability to become employed or participate in vocational training.

**Legal basis**

AFG - Labour Promotion Act (25.06.69) § 41a

**Contents**

Measures to improve the placement prospects of the unemployed are short term measures which consist of individual or collective information sessions.

**Financial resources**

**Institutional support**

The measures are carried out by the *Bundesanstalt*.

**Duration**

Ongoing

**Effects**

IAB research (1979) indicates that :

- \* the measures encourage participants to follow further vocational training courses (21% participated in another course 9 months later as compared to 4% of all unemployed);
- \* 27% of participants went straight into employment;
- \* the courses have social effects, such as bringing the unemployed out of social isolation (two thirds of participants considered this to be a key effect).

Inflows into measures to improve placement prospects

1979	700*	1983	23.900
1980	14.100	1984	30.500
1981	24.500	1985	38.300
1982	23.300	1986	52.200
		1987	62.700

\* special courses introduced in 1979

## 9. Miscellaneous measures

D-ix.1

### **KONKURSAUSFALLGELD**

Bankruptcy compensation payment

#### **Aim**

To secure the wage claims of employees for the last three months of employment prior to the opening of bankruptcy proceedings.

#### **Legal basis**

AFG - Labour Promotion Act (25.06.69)

#### **Contents**

Bankruptcy compensation payment is granted by the competent local employment office on application, ie. the employment office responsible for the district in which the employer's wage accounts office for the employee in question is located. (For further details see next page).

#### **Financial resources**

The funds for bankruptcy compensation payments are raised each year by professional associations *a posteriori* by the imposition of a levy on employers.

#### **Institutional support**

Bankruptcy compensation payment is granted by the *Bundesanstalt*.

#### **Duration**

Ongoing

#### **Effects**

Numbers granted bankruptcy compensation payments definitively:

1979	58.800	1983	106.500
1980	61.900	1984	116.400
1981	87.600	1985	117.300
1982	121.000	1986	109.300
		1987	107.200

### Compensation for loss of earnings due to bankruptcy

Compensation for loss of earnings due to bankruptcy (referred to hereafter as "bankruptcy compensation payment") secures the wage claim of employees for the last three months of employment before the opening of bankruptcy proceedings. On a par with the institution of bankruptcy proceedings is the dismissal of the petition in bankruptcy for insufficiency and the complete close down of business activities if bankruptcy proceedings can obviously not be instituted for insufficiency. If an employee continues working because he is ignorant about the petition in bankruptcy having been dismissed for insufficiency, a special regulation applies as regards the 3-month period.

The amount of bankruptcy compensation payment is based on the net earnings still outstanding and which have not been paid to the employee during the period mentioned. There is no ceiling for the assessment of compensation.

Bankruptcy compensation payment is granted by the competent employment office on application, i.e. the local employment office responsible for the district in which the employer's respective wage accounts office for the employee in question is located. The claim can be introduced at any local employment office; it is also accepted by other bodies which under the provisions of the Social Code are responsible for administering social benefits, and by all municipalities. As a rule, the claim has to be introduced within a strict time limit of two months from the opening of bankruptcy proceedings or an equivalent event. In case of non-compliance with the time limit through no fault of one's own, an extension of two months will be granted from the date when the impediment has been removed.

On the employee's request, the local employment office is required to make an adequate advance on the bankruptcy compensation payment.

If the claim for payment of wages for the 3-month period has been transferred to a third person or has been distrained or pledged in favour of a third person, the third person will also be entitled to the bankruptcy compensation payment.

Claims of third persons have also to be introduced within the said 2-month strict time limit or the extension.

Third persons receive advance payments only if the wage claim has been transferred, distrained or pledged on account of a statutory maintenance obligation.

The wage claims which open up the claim for bankruptcy compensation payment are transferred to the *Bundesanstalt* once the claim for bankruptcy compensation payment has been introduced. The *Bundesanstalt* will assert these claims at the bankruptcy proceedings or against the former employer.

To avoid disadvantages for the employee with respect to insurance, the local employment office pays the still outstanding compulsory contributions to the statutory health insurance, the statutory pension insurance and the contributions to the *Bundesanstalt* which are due for the above mentioned three months of the employment relationship.

The funds for bankruptcy compensation payment including the contributions mentioned above and the administrative and other costs that are incurred in connection with bankruptcy compensation payments are raised each year by the professional associations by imposing a levy on the employers.

#### Chapter IV: INFORMATION AND RESEARCH

Under the provisions of the Labour Promotion Act (AFG) the *Bundesanstalt* is required to carry out a comprehensive labour market and vocational research programme, to make surveys of the employment situation, to provide statistical data and to issue reports of its findings. This means that the *Bundesanstalt* has to observe and investigate the scope and nature of employment, the current situation and future development of the labour market, of trades and professions, and of the vocational training opportunities in general as well as in individual branches of industry and in defined industrial areas, taking into account their social structure. The *Bundesanstalt* has to examine and evaluate these observations so as to enhance its own effectiveness. The public is entitled to access to the data. From the data accumulated in the course of its activities, the *Bundesanstalt* is required to compile statistics, particularly with respect to employment and unemployment.

##### Labour market and vocational research

Labour market and vocational research means scientifically evaluating the current situation and assessing future labour market developments, nationally, regionally and internationally.

Labour market and vocational research as an interdisciplinary scientific subject covers the fields of economics, business administration, engineering, analytical statistics and sociology. It must also take into account the latest results in educational and vocational research, vocational learning, occupational studies and research into future trends. The methods applied in vocational and labour market research derive, above all, from economics and the social sciences. It uses official and non-official economic, social and educational statistics in conjunction with mathematico-statistical data analysis with the aid of data processing. Data compiled on employees or firms is also evaluated. Labour market and vocational forecasts face the same difficulties as any forecasts in the fields of economics, sociology and technical sciences. The object of labour market and vocational research is to compile information for the individual, on the one hand, and labour market policy, on the other. It should enable the individual to arrive at a rational decision in choosing his education or occupation and adapt himself to continuous changes. Information should enable labour market and educational policies to be developed that will avoid future overall and structural imbalances on the labour market.

Since 1967 the Institute for Vocational and Labour Market Research (*Institut für Arbeitsmarkt- und Berufsforschung - IAB*) has been carrying out labour market and vocational research within the *Bundesanstalt*. As "Division VII" it is part of the Headquarters of the *Bundesanstalt* in Nuremberg. The IAB provides the *Bundesanstalt's* employment offices with scientifically sound orientation and decision aids to enable them to fulfil their tasks with regard to labour market and economic policy, such as vocational orientation, vocational guidance, employment counselling, job placement, fostering vocational training and rehabilitation. The documents issued by the IAB also serve to inform the general public, in particular the social partners as well as people involved in politics, industry and science, and national institutions. To this end, the IAB also evaluates the results and the success

of policy measures relating to work carried out by the *Bundesanstalt* as well as the impact of laws having a labour market policy orientation.

The aims and concerns of vocational and labour market research in the *Bundesanstalt* are derived from the task of the *Bundesanstalt* in accordance with § 1 AFG and lead to the following areas of activities:

- \* analysis of the correlation between economic growth and employment trends as well as between population trends and available labour supply;
- \* research into changes of sectoral, occupational and regional employment structures;
- \* business cycle research, in particular with regard to the labour market; working time research;
- \* studies on certain groups of people on the labour market;
- \* monitoring and analysing technical change and its impact on the labour market;
- \* studies of labour market flexibilities;
- \* qualifications' research;
- \* studies of problems of classification and taxonomy;
- \* evaluations of methods and results based on statistical findings on the labour market, statistical analysis and method development, econometrics;
- \* development of labour market models taking into account forecasting methods and methods of substitution research;
- \* research in the field of the international labour market.

The *IAB* is functionally organised : scientists from the relevant branches of science and experts from the *Bundesanstalt's* various areas of activity work in the nine sections. In addition to its own activities, the *IAB* initiates and monitors research projects carried out for the *Bundesanstalt* by other institutes. It also examines the available results of independent research work with a view to utilising them for the *Bundesanstalt*. The *IAB* keeps in close contact with university professors who give advice on scientific matters and act as links with research, especially with basic research outside the *Bundesanstalt*. Special sections for labour market and vocational research in the regional employment offices and specially trained research staff in some district employment offices ensure that research is in close touch with the realities in the local employment offices.



IAB produces the following publications :

The quarterly review "Labour Market and Vocational Research" (*Mitteilungen aus der Arbeitsmarkt- und Berufsforschung*), edited by the President of the *Bundesanstalt*, the Director of the IAB and external scientists from the relevant fields of research, constitutes a forum for scientific discussion on vocational and labour market research. It also includes the results of the IAB research.

More extensive presentations of research results for the public are to be found in "Contributions to Labour Market and Vocational Research" (*Beiträge zur Arbeitsmarkt- und Berufsforschung*).

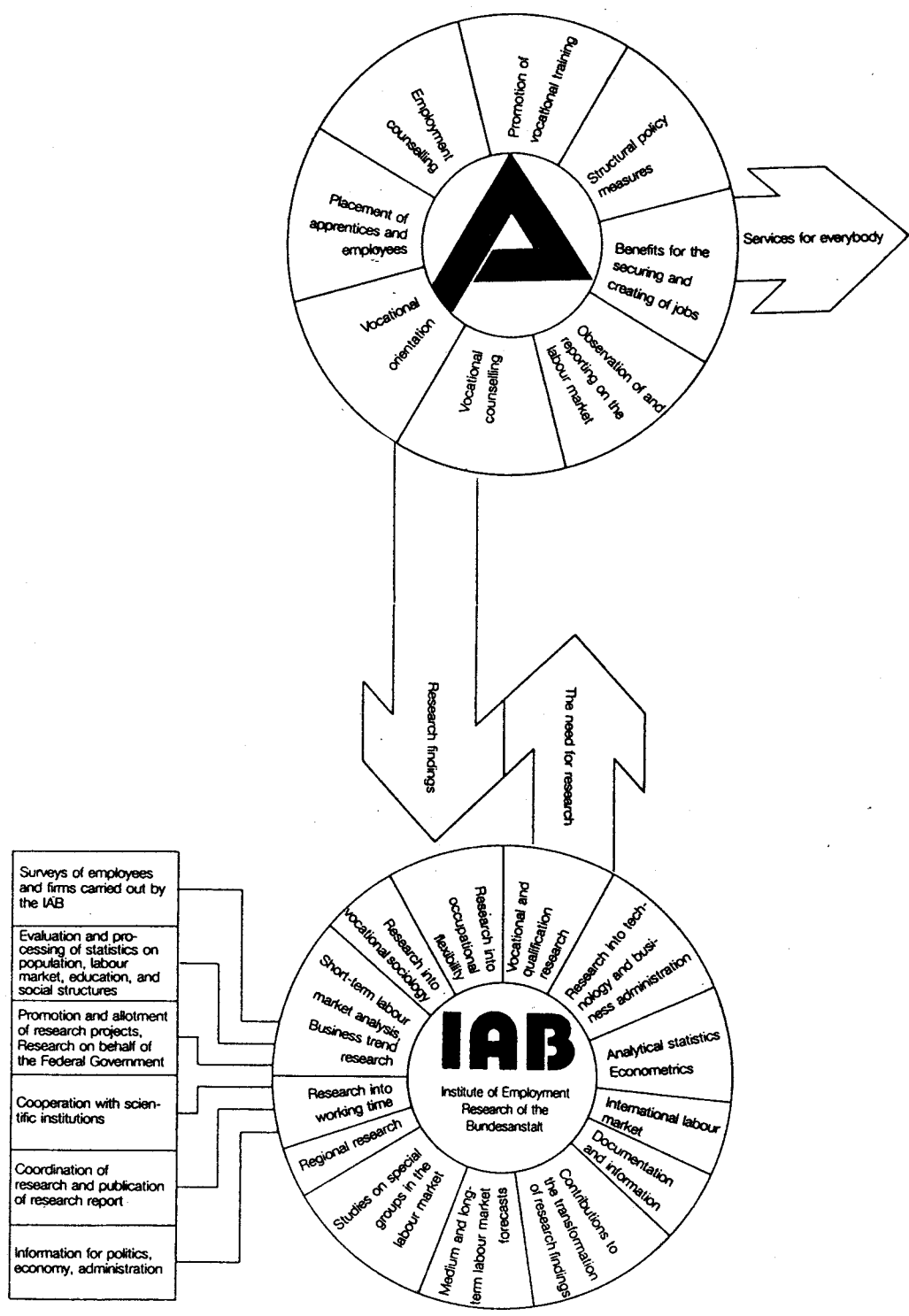
The "Research Documentation on Labour Market and Vocational Research" (*Forschungsdokumentation zur Arbeitsmarkt- und Berufsforschung*), published several times a year, provides information on ongoing and completed research projects in the field of labour market and vocational research in the German-speaking countries.

The "Subject Bibliography on Labour Market and Vocational Research" (*Literaturdokumentation zur Arbeitsmarkt- und Berufsforschung*) collates and provides abstracts on the relevant publications in this field. Special prints appear on particular subjects; computer printouts can be supplied to satisfy individual and special needs.

The "Reports on Labour Market and Vocational Research" (*Materialien aus der Arbeitsmarkt- und Berufsforschung*) and "*materialien aktuell*" (topical reports) inform specialist and senior staff of the employment offices about research results which are suitable to be put into practice, and thereby contribute to constantly raising the qualifications of the *Bundesanstalt's* staff.

The "Conclusions from Labour Market and Vocational Research" (*Quintessenzen aus der Arbeitsmarkt- und Berufsforschung*) are a summary of the most important results of IAB research, which are also made accessible to a wide public by means of exhibition stalls.

Access to IAB research results is provided by the relevant medium-term research programme and the reports on the activities of the IAB, project lists, annual reports and lists of publications. By awarding an annual research prize for outstanding results, the *Bundesanstalt* honours and fosters labour market and vocational research work carried out in the universities.



### Statistical service

The *Bundesanstalt* has its own statistical service as an integral part of its structure. Its task is to obtain and make available reliable statistical information from various existing sources: administrative records; direct interviews and surveys; and from evaluating statistics relevant to the labour market stemming from the Federal Office of Statistics, the regional offices of statistics and other agencies. Such statistics are needed for carrying out special functions as well as labour market and vocational research. The statistical service uses modern methods and rational procedures and is already to a large extent computerised.

Statistics on the labour market, employment and unemployment, job placement and employment counselling, vocational guidance and the provision of training places constitute a major part of the statistical programme. Other significant areas are the support for vocational training, incentives to enter employment, and vocational rehabilitation. Yet other fields are the benefits of unemployment insurance for job maintenance and job creation - short-time working, year-round employment in the building sector, job creation measures - as well as benefits for the unemployed and the employed. Furthermore, statistics are compiled with regard to the supply of workers by temporary employment businesses, jobs for the severely disabled and benefits under the Federal Child Benefit Act.

The statistical results are made available to the special departments and to the *IAB* and, as far as possible, are also made accessible to other interested bodies. The most important statistics are published in the Official Reports (*Amtliche Nachrichten*) of the *Bundesanstalt*. In addition to an extensive tabular section, they contain in particular monthly reports on the state of the labour market, as well as reports on the structure of the labour market stock, the number of inflows and outflows of unemployed persons and vacancies, employment trends, including foreigners, vocational guidance and placement in training places, the special placement services for highly qualified persons, the support for vocational training and vocational rehabilitation.

Press announcements and press conferences help to keep the public up to date on developments.

Expenditure of the Bundesanstalt für Arbeit on the following measures  
(in millions of DM)

Measure	1983 (actual)	1984 (actual)	1985 (actual)	1986 (actual)	1987 (actual)	1988 (budget)
Short-time allowance (D-ii.1)	3.074,6	1.792,4	1.288,4	880,4	1.240,7	1.600,0
Promotion of winter productivity in the building industry (D-ii.2)	962,1	939,9	670,0	655,4	461,3	475,0
Bad weather allowance	597,5	672,8	772,0	691,5	777,8	791,0
Unemployment benefit	17.091,3	14.112,3	14.066,5	14.022,1	15.252,1	16.752,2
Unemployment assistance (Federal funds) (D-iii.1)	7.123,6	8.719,4	9.126,2	9.160,0	9.029,6	8,130,0
Incentives to enter employment (D-iii.2)	227,6	290,4	320,5	480,2	538,1	537,0
Support for basic vocational training (D-iv.2)	433,6	487,4	546,0	589,5	647,6	700,0
Support for advanced voc. training and re-training (incl. subsistence allowance and subsidy for "settling-in" period) (D-iv.3)	3.034,7	3.157,7	3.431,4	4.422,3	5.615,3	5.547,9
Support for vocational training institutions (D-iv.4)	27,8	29,7	30,7	39,9	44,5	45,0
ABM - General job creating measures (D-v.1)	1.177,4	1.723,6	2.177,3	2.709,6	3.177,2	3.312,0
Vocational rehabilitation (D-vi.4)	1.884,3	1.885,8	1.899,8	2.130,3	2.450,8	2.471,6
Expenditure for measures under viii (placement measures) needs to be specified separately						
Bankruptcy compensation payments (D-ix.1)	456,6	533,5	558,4	528,1	486,6	475,5

LES CORRESPONDANTS DU MISEP  
THE MISEP CORRESPONDENTS

Mr Joseph REMY  
Ministère de l'Emploi et du Travail - Bruxelles

Mme Vibeke JENSEN  
Arbejdsministeriet - København

Mme Magda SCHLEEGER  
Bundesministerium für Arbeit und Sozialordnung - Bonn

Mr Dieter BAIGGER  
Bundesanstalt für Arbeit - Nürnberg

Mme Evangelia HADZIANTONIOU  
Ypourgion Ergasias - Aθinai

Mr Angelos ZISIMPOULOS  
O.A.E.D. - Aθinai

Mr Lorenzo CACHÓN RODRIGUEZ  
Ministerio de Trabajo y Seguridad Social - Madrid

Mr Gilles BIENVENU / Mr Norbert CHITRIT  
Ministère de l'Emploi - Paris

Mme Denise ANNANDALE  
Agence Nationale pour l'Emploi - Paris

Mr Padraig CULLINANE  
An Roinn Saothair - Dublin

Mr Theodosio ZEULI  
Ministero del Lavoro e della Previdenza Sociale - Roma

Mr Jean HOFFMANN  
Administration de l'Emploi - Luxembourg

Mr Chris SMOLDERS  
Ministerie van Sociale Zaken en Werkgelegenheid - Rijswijk

Mr Victor VIEGAS  
Ministério do Emprego e da Segurança Social - Lisboa

Mr Peter IRWIN  
Department of Employment - London





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